CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FIFTH SESSION—TWENTY FOURTH PARLIAMENT

10-11 ELIZABETH II

VOLUME 1, 1962

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TO THE NINETEENTH DAY OF FEBRUARY, 1962, INCLUSIVE

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House of Commons Debates

OFFICIAL REPORT

Speaker: The Honourable Roland Michener

Thursday, January 18, 1962

FIFTH SESSION—TWENTY FOURTH PARLIAMENT—OPENING

The parliament which had been prorogued on the twenty ninth day of September, 1961, met this day at Ottawa for the dispatch of business.

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

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

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

Mr. Speaker, it is the pleasure of His Excellency the Governor General that this honourable house attend him immediately 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:

OATHS OF OFFICE

Right Hon. J. G. Diefenbaker (Prime Minister) moved for leave to introduce Bill No. C-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:

I welcome you as you resume your parliamentary duties.

We look forward to the presence this summer of Her Majesty the Queen Mother, who for many years has endeared herself to the hearts of all Canadians. We shall also have the pleasure of receiving Their Royal Highnesses the Duke of Edinburgh and the Princess Royal.

During the past year, I have visited several provinces and made an extensive trip to the Northwest Territories. The great north brought home to me the vastness, the far horizons and the beauty of our country. Flying over it, I thought of the wonderful heritage which Providence has entrusted to us. May we be worthy of this stewardship.

While the world outlook contains elements of continuing danger, there are some grounds for cautious optimism. Major military conflicts have been avoided and the processes of conciliation and negotiation are in progress or in prospect on many of the important international issues. The Canadian government remains devoted to peace as its primary objective.

Recurrent Soviet pressure on Berlin makes it necessary for the governments of the North Atlantic alliance to reconcile the preservation of essential rights and interests with a constant readiness to discuss and enter into equitable and safeguarded engagements. My government has consistently worked towards that end, and approves the resumption of preliminary talks with the U.S.S.R., the success of which will depend on Soviet good faith.

In other areas of tension, Canada has been prominent in international efforts to relieve political, economic and administrative strains which have sometimes accompanied the transition from dependent to independent status of new nations. International peace keeping arrangements continue to warrant effective Canadian support.

International agreements on measures of controlled disarmament remain vitally necessary if the world is to be freed permanently from the menace of war. As a member of the expanded disarmament committee recently reconstituted, my government supports the decision to resume disarmament negotiations in March.

The commonwealth continues to grow as an important instrument for freedom and peace, linking five continents and people of many races. The strengthening of this association is a primary objective of my government. During 1961, Canada joined in welcoming Cyprus, Sierra Leone and Tanganyika to full membership in the commonwealth.

My government derives particular satisfaction from the endorsement by the United Nations of

a world food program sponsored by Canada, for which you will be asked to authorize a contribution.

You will also be asked to appropriate funds to maintain Canada's external aid program.

Canada's diplomatic representation has been expanded in the commonwealth, in the French speaking countries of Africa, and as well in Latin America and in Asia.

While striving to reduce international tensions and promote the peaceful settlement of international disputes, my government still considers it necessary to provide the support required to strengthen and maintain the defence forces necessary to continue an active role in the North Atlantic Treaty Organization.

Important negotiations are now under way between the British government and the European economic community following the decision of Britain to ascertain whether terms can be negotiated on which it might become a member of that community. My ministers are following these negotiations carefully, having in mind that their outcome should give full recognition of the vital interests of the commonwealth and to Canada's position and interests as a major trading nation.

My government in recent international meetings has reiterated its support for the expansion of world trade on a multilateral non-discriminatory basis and its readiness to play a constructive role in the promotion of world trade. It stands ready to work with other countries in the pursuit of this goal.

My government plans to recommend to you a number of measures that will constitute further steps in working out the purposes of confederation and identifying more clearly the Canadian nationality in various aspects of public and business affairs. With this purpose in mind, you will be asked to give effect, with modifications, to the recommendations of the royal commission on publications.

By means of conferences with representatives of provincial governments, progress has been made toward agreement on a means of amending our constitution in Canada, which would be the final step to bring our formal legal position into line with reality. A formula to accomplish this purpose has been sent to provincial governments for their consideration.

Legislation will be proposed to require reports to be submitted by business and labour organizations concerning the extent and nature of their operations and whether, and to what extent, they may be owned or controlled outside Canada.

A measure relating to the Senate will be placed before you.

My government will ask you to take steps to ensure that the forthcoming redistribution of electoral districts is made in an equitable manner upon an objective basis. To this end you will be asked to approve for the first time in our history a measure to create an independent commission to recommend the changes required in the electoral districts as a result of the decennial census.

Comprehensive measures to put into effect my government's economic policies were enacted in preceding sessions of this parliament. The benefits flowing from these policies are now evident in record levels of employment, of production, and of export trade. There has been a substantial improvement since last year in the unemployment situation. As the result of the efforts of my government through its municipal winter works incentive program, notable progress has been made in meeting the recurrent problem of seasonal unemployment. The government has already announced its intention of asking you to approve another and larger program of assistance to municipalities for winter works projects.

Further measures to stimulate economic activity and promote national development will be placed before you this session. One of these will be the construction of a railway in the Gaspe peninsula from Matane to Ste. Anne des Monts. Another will be the construction of a floodway and other works to conserve and control the waters of the Red and Assiniboine rivers in Manitoba, for which agreement has now been reached with the province regarding the division of costs.

Other measures which will help to enlarge employment by stimulating economic activity will include a bill to increase the total amount of financing of exports which can be undertaken by the Export Credits Insurance Corporation and an amendment to broaden the scope of the Small Businesses Loans Act.

The success of the recent "Resources for Tomorrow" conference demonstrated the benefits of co-operation between governments in this field. My government, in consultation with the governments of the ten provinces, is examining suggestions made at that conference for co-operative measures to encourage the wise management and multiple use of Canada's natural resources.

The provision of low cost electric power is one of the most important factors in the economic growth and industrial development of Canada. As a further step in the national development policy, my Prime Minister has invited the provincial governments to join with the federal government in early discussions of the steps that might be taken toward the establishment of long-distance power transmission to link provinces and eventually the different regions of Canada.

You will be asked to provide for an expanded program of encouragement to scientific research by industry in Canada.

A bill will be placed before you intended to enable Canada to participate effectively in arrangements for reinforcing the international monetary fund when additional resources are required to maintain stability in exchange markets in the face of substantial capital movements.

The maintenance of fair prices for farm and fishery products also continues to be a matter of prime concern to my government and you will be asked to provide the funds necessary to sustain the price stabilization policy. My ministers have achieved a gratifying success in finding markets for grain and thereby reducing surplus stocks. The drought in the prairie provinces during 1961 has resulted in severe losses, however, and you will be asked to provide assistance by means of acreage payments to the farmers who have been affected. Legislation will also be proposed to extend the period of application of the Farm Improvement Loans Act and the Fisheries Improvement Loans Act.

Important measures in the field of social welfare will also be proposed at this session. Your approval will be requested for an increase in the amount of the universal old age pension payable under the Old Age Security Act, and also for legislation to increase the amount to which the federal government will contribute under the Old Age Assistance Act, the Blind Persons Act and the Disabled Persons Act. After the concurrence of the provinces for the necessary amendment to section 94A of the British North America Act has been secured, parliament will be asked to approve a constitutional amendment in order to permit the introduction of a contributory system of old age pensions and related survivors' and disability benefits which will be in addition to the existing old age pension legislation and will

take into account private pension arrangements and the need for legislation concerning portability of pension rights.

You will be asked to authorize the establishment of a national council of welfare similar to the council of health which has had a long record of usefulness.

You will be asked to approve an amendment to the Civilian War Pensions and Allowances Act to authorize the payment of allowances under specified conditions to merchant seamen, firefighters, foresters, members of voluntary aid detachments and certain other civilians whose war services overseas have been recognized in other respects. Other amending bills will provide for increased allowances and other improvements in the Children of War Dead (Education Assistance) Act and also for the extension of the effective period of the War Services Grants Act and the Veterans Insurance Act and for the extension of the qualifying period under the Veterans Land Act.

My government will also ask you to appropriate moneys required in the unemployment insurance fund to safeguard the rights of workers until the report of the special committee inquiring into the unemployment insurance program has been received and can be acted upon.

You will be asked to increase the federal grants to universities and make suitable provision in those cases where alternative arrangements are made for supplementary provincial grants in lieu of federal grants.

My government is initiating negotiations with the provincial and municipal authorities with a view to removing the tolls on the Victoria and Jacques Cartier bridges in Montreal; should these be successful you will be asked to approve legislation for this purpose.

You will be asked to authorize the institution of an automobile ferry service between North Sydney, Nova Scotia, and Argentia, Newfoundland, and to provide for the construction of the necessary vessel and docks.

Other measures will be introduced to amend the Broadcasting Act, the Canada Shipping Act, the Canadian National Railways Capital Revision Act, the Bankruptcy Act and a number of other statutes. You will be asked to approve the ratification of the universal copyright convention.

Members of the House of Commons:

My government intends to ask you to reconstitute the special committee on procedure of the house and request it to make recommendations on the elimination of closure of debates in the House of Commons.

The estimates required for the public service and for payments authorized by parliament will be laid before you.

Honourable Members of the Senate:

Members of the House of Commons:

I pray that God in His wisdom may grant you light and grace in your deliberations and the fulfilment of your duties.

Right Hon. J. G. Diefenbaker (Prime Minister) moved:

That the speech of His Excellency the Governor General to both houses of parliament be taken into consideration at the next sitting of the house.

Motion agreed to.

THE LATE MERVYN ARTHUR HARDIE

The late M. A. Hardie

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, as we return to our duties we also return to one of those occasions when the house becomes as one. We recall the work of those who have passed on during the interim, and I am speaking now of Mervyn Arthur Hardie, the late member for Mackenzie River. He was first elected to the House of Commons in 1953 and re-elected in 1957 and 1958. A young man, his life had been given to public service. He had served on the Yellowknife council and the Northwest Territories council.

One thinks of him as a young man of indomitable courage. Indeed, as I look back over the years that I have been a member of the House of Commons I can say that nothing that has taken place has had a greater appeal than those simple words of Mr. Hardie on his return to this chamber after many months in hospital. His was a message of deep and abiding faith. It moved the house because of that fact. Indeed, there is nothing more moving in the life of men than a faith in God and all that faith means in the lives of those who have that belief.

Mr. Hardie knew his constituency well. I saw him there when I visited the Northwest Territories in the summer on the occasion of my meeting with the Northwest Territories council. There was a luncheon in advance and it was obvious then that he was suffering greatly. Indeed, before the luncheon was over he had to leave and go back to hospital. His health was failing greatly, but his determination and that courage which he displayed throughout with regard to the suffering that was his will always remain as an ineffaceable memory of one who, in but a few short years in the House of Commons and in a comparatively short life, gave to members on all sides of the house an understanding of that peace that passes understanding.

I know I speak for members in all parts of the house when I say that by that faith he possessed he left his imprint on all of us. We mourn his passing and I extend on behalf of the government of Canada, and I know on behalf of the whole house, to his wife and family this expression of our sincere sorrow.

Hon. L. B. Pearson (Leader of the Opposition): On behalf of our party, Mr. Speaker, I would like to thank the Prime Minister for what he has said about a man who was a very loyal and courageous member and supporter of the party, but who was also more than that. He was a very loyal and courageous servant of his country. Mervyn Hardie was a very courageous man, at times an unconventional one. He served Canada not only courageously but at times in unconventional and adventurous ways.

The late M. A. Hardie

He had a brusqueness of manner which was never able to conceal a warm heart and generous disposition. That is one of the reasons why he had friends in all parts of the house. He was hard hitting in debate but he never allowed his hard hitting to extend beyond the confines of this chamber. He was above all, Mr. Speaker, as the Prime Minister has indicated, a man of the north. He was passionately dedicated to serving that great part of our country, to advancing its progress and its welfare.

In his later months he served under conditions of much pain and some weakness. I happen to know that he knew many weeks before he died that the end was as certain as human things can be. I remember saying to him when he had made up his mind to go to Yellowknife last summer that I thought it was unwise for him to go so far at that time. He replied: "I am the member for that constituency and I am going to be there to greet the Prime Minister when he arrives," and he was there. He served in circumstances that would have daunted anyone of less courage. Neither pain nor weakness prevented him from doing his duty up to the very end. While neither medical science nor prayers could save him for further life on this earth, he will long live in the memory of the members in this house, all of whom were his friends, and in the memory of the many friends he had throughout the country. So I join the Prime Minister in tribute to him and in extending our deep sympathy to his bereaved and saddened family.

Mr. Hazen Argue (Assiniboia): I should like to associate the members of this group with the very eloquent and moving tribute paid to Mervyn Hardie by the Right Hon. Prime Minister and by the Leader of the Opposition. We counted Merv Hardie a very great friend. We recognized his great courage and sincerity, and we acknowledge that he worked unceasingly in the interests of the people he represented in the House of Commons.

Merv Hardie was a product of western Canada and the Canadian north. He grew up in Saskatchewan in the hungry thirties. Nothing came easy to him. A substantial part of his schooling was obtained at that little prairie university conducted and administered by Father Athol Murray of Notre Dame of Wilcox, and at great sacrifice to himself he was able to acquire an education in very difficult times.

He served his constituents and our nation faithfully and well until the very end, and particularly at the time of his passing our thoughts were with Mrs. Hardie and the children.

[Mr. Pearson.]

We know that Merv Hardie gave his all, not only of himself but of his financial resources to the serving of the nation. At this time perhaps I may say for our group that we feel parliament should consider this and other like instances so that at some future date we may take appropriate steps in order that in circumstances like these the financial suffering for those who are left behind may be minimized.

We join with the Prime Minister and the Leader of the Opposition in extending to Mrs. Hardie and the family our very deepest sympathy.

THE MINISTRY

ANNOUNCEMENT OF MINISTERIAL CHANGES— APPOINTMENT OF PARLIAMENTARY SECRETARIES

Right Hon. J. G. Diefenbaker (Prime Minister): At this time it is usual, if there have been any changes in the ministry, for notification to be given to the house. I would first point out that Hon. Paul Comtois, who represented the constituency of Nicolet-Yamaska, was appointed lieutenant governor of the province of Quebec on October 6, 1961. Thereupon there was a vacancy in the portfolio which he held. This vacancy has been filled by the appointment of the hon. member for Quebec South, Hon. Jacques Flynn.

Furthermore, the presidency of the Queen's privy council for Canada has been given to the hon. member for Bellechasse, Hon. Noel Dorion, Secretary of State.

It is customary also to refer to the parliamentary secretaries and the appointments to which they have been allocated. Before doing so I wish to mention the fact that the former parliamentary secretary for external affairs, the hon. member for Oxford (Mr. Nesbitt), for reasons of business and the other claims that come to those young men who serve in public life, found himself unable to carry on in this position. Regretting the fact that that is so, I want to add as well the appreciation of the government, and I think of Canada as a whole, of the services he rendered in the United Nations on behalf of this nation.

The following are the appointments to the parliamentary secretaryships. There has been very little change.

To the Minister of Transport the member for Hamilton East (Mr. Martini).

To the Minister of Justice the member for Saint John-Albert (Mr. Bell).

To the Minister of Finance the member for Carleton (Mr. Bell).

To the Minister of National Health and Welfare the member for Huron (Mr. Cardiff).

To the Minister of National Defence the member for St. Lawrence-St. George (Mr. Chambers).

To the Minister of Agriculture the member for Brant-Haldimand (Mr. Charlton), the member for Provencher (Mr. Jorgenson).

To the Minister of Fisheries the member for Gaspe (Mr. English).

To the Minister of Veterans Affairs the member for Saskatoon (Mr. Jones).

To the Minister of National Revenue the member for Edmonton West (Mr. Lambert).

To the Minister of Trade and Commerce the member for Halifax (Mr. Morris).

To the Minister of Public Works the member for Quebec East (Mr. Tassé).

To the Minister of Labour the member for Essex South (Mr. Thrasher).

As parliamentary secretary to the Prime Minister, in succession to Mr. Martineau, I am very pleased to announce the appointment of the member for St. Hyacinthe-Bagot (Mr. Ricard). He will become one of my assistants along with the member for Peel (Mr. Pallett), the chief whip.

INTERNAL ECONOMY COMMISSION

Right Hon. J. G. Diefenbaker (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 order in council appointing the Hon. Donald Methuen Fleming, Minister of Finance, the Hon. Leon Balcer, Minister of Transport, the Hon. Gordon Churchill, Minister of Veterans Affairs, and the Hon. Ellen Louks Fairclough, Minister of Citizenship and Immigration, to act with the Speaker of the House of Commons as commissioners for the purposes and under the provisions of chapter 143 of the Revised Statutes of Canada, 1952, intituled: An Act respecting the House of Commons.

STANDING COMMITTEES

Right Hon. J. G. Diefenbaker (Prime Minister) moved:

That a special committee be appointed to prepare and report with all convenient speed the lists of members to compose the standing committees of this house under standing order 65. The said committee to be composed of Messrs. Balcer, Churchill, Habel, Pallett and Peters.

Motion agreed to.

(Translation):

HOUSE OF COMMONS

APPOINTMENT OF CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I move, seconded by the Hon. Mr. Churchill, that Mr. Paul Martineau, member for the constituency of Pontiac-Temiscamingue, be appointed chairman of committees of the whole house.

(Text):

I wish to add in that connection, sir, that I propose the name of Mr. Martineau, a young man with a distinguished record of war service and of public service, a member of the bar, a student of the rules and one who I think the house will agree has been fair and reasonable in his relations with the members generally in the house and who will be able to discharge the duties of deputy speaker with honour to himself and in keeping with the traditions of this chamber.

(Translation):

Hon. Lionel Chevrier (Laurier): Mr. Speaker, on behalf of the opposition I am pleased to support the recommendation which the Prime Minister (Mr. Diefenbaker) just made to the house.

I am certain that, thanks to his past experience as parliamentary secretary to the Prime Minister, the hon. member for Pontiac-Temiscamingue (Mr. Martineau) will be able to perform his new duties with efficiency. I hope he will also be able to interpret the standing orders of this house in the same spirit of objectivity, humanity and fairness as you have always shown, Mr. Speaker, when giving rulings from time to time.

On behalf of the opposition and of all those who sit with us in this house, I offer the hon. member for Pontiac-Temiscamingue my warmest congratulations and my best wishes in the exercise of his new duties.

(Text):

Mr. Hazen Argue (Assiniboia): Mr. Speaker, the posts of deputy speaker and chairman of committees are important ones and we think that changes should not be made in any light fashion. It has been the custom over the years in the House of Commons at the beginning of a parliament to elect a speaker and deputy speaker. It has been the custom also that the occupants of these important positions remain in those positions during the life of the parliament. There is another custom and it is that, in the event the government should be successful in a coming election and the administration is returned, the person who occupied the position of deputy speaker usually moves to the position of speaker.

I do not know if the government feels that it cannot face the electorate in a confident manner and is therefore changing the person occupying this position at this time. We do think however that it is more in keeping with the impartiality of this position if the person who holds the position maintains it through the life of a parliament and the government does not—as appears to be the case in this parliament—merely use it as a stepping stone

Division

for the further advancement within the government of certain members of the government during a given parliament.

This is the third time in this parliament that we have had changes in this position. Many members of parliament in the past have said that the position of Speaker should be a permanent one; that in so far as possible we should move those persons who are the Speaker and Deputy Speaker out of the day to day partisanship of parliamentary debate.

I suggest to the Prime Minister (Mr. Diefenbaker) that he is not elevating the position of Deputy Speaker by making so many and such frequent changes. I wish to tell the hon. member for Pontiac-Temiscamingue (Mr. Martineau) that what I am saying this afternoon on behalf of this group is in no sense a personal reflection on him, but merely a criticism of the government and its method of using this position within this parliament as a stepping stone to the cabinet.

We expect this will be the last change that the Prime Minister will be able to bring about—

Some hon. Members: Oh, oh.

Mr. Argue: —but because we feel that this is degrading to parliament itself we shall oppose the motion.

Mr. Speaker: Is the house ready for the question? Is it agreed that the members are called in?

Some hon. Members: Agreed.

The house divided on the motion (Mr. Diefenbaker), which was agreed to on the following division:

YEAS

Messrs.

Aitken, Miss
Allmark
Asselin
Badanai
Balcer
Baldwin
Barrington
Batten
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Bigg
Bissonnette
Boivin
Bourbonnais
Bourdages
Bourque
Brassard (Chicoutimi)
Broome
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Bruchesi
Cadieu
Campbell (Lambton-Kent)
Cardiff
Cardin
Carter
Casselman, Mrs.
Cathers
Chambers
Chatterton
Chevrier
Churchill
Clancy
Clermont
Coates
Cooper
Creaghan
Crestohl
Crouse
Danforth
Denis
Deschambault
Deschatelets
Diefenbaker
Dinsdale
Dorion
Doucett
Drouin
Drysdale
Dubois
Dumas
Dupuis
Eudes
Fairclough, Mrs.
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Flemming (Royal)
Flynn
Forbes
Fortin
Fournier
Frechette
Fulton
Garland
Gillet
Godin
Grafftey
Green
Grills
Gundlock
Habel
Hales
Hamilton (Notre Dame de Grace)
Harkness
Hees
Hellyer
Henderson
Hicks
Horner (Jasper-Edson)
Horner (The Battlefords)
Howe
Johnson
Jones
Jung
Keays
Kennedy
Knowles
Korchinski
Kucherepa
Lafreniere
LaMarsh, Miss
Lambert
Leduc
Legere
Lessard
Loiselle
Macdonald, Mrs.
Macdonnell
MacEwan
MacInnis
MacLean (Queens)
MacLean (Winnipeg North Centre)
MacLellan
Macnaughton
Macquarrie
MacRae
McBain
McDonald (Hamilton South)
McFarlane
McGee
McGrath
McIlraith
McLennan
McMillan
McPhillips
McQuillan
Maloney
Martel
Martin (Essex East)
Martini
Matthews
Meunier
Michaud
Monteith (Perth)
Monteith (Verdun)
More
Morissette
Morton
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Noble
Nowlan
Nugent
O'Hurley
O'Leary
Ormiston
Parizeau
Pascoe
Paul
Payne
Pearson
Phillips
Pigeon
Pratt
Pugh
Racine
Rapp
Ricard
Richard (Kamouraska)
Roberge
Rogers
Rompre
Rouleau
Rowe
Sevigny
Simpson
Slogan
Smith (Lincoln)
Smith (Winnipeg North)
Southam
Speakman
Spencer
Starr
Stearns
Stinson
Tardif
Thompson
Thrasher
Tucker
Villeneuve
Walker
Webb
Webster
Weichel
Winkler
Woolliams—179.

NAYS

Messrs:

Argue
Fisher
Herridge
Howard
Martin (Timmins)
Peters
Pitman
Regier
Winch—9.

APPOINTMENT OF DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I think that in the latter days of the last session when we had as deputy chairman of committees Mr. Gordon Campbell Chown, member for the electoral district of Winnipeg South, there was general acceptance of his capacity and ability in the discharge of the responsabilities attaching to that position. All of us are, of course, deeply regretful that the previous occupant of this position, the member for Spadina, Mr. Charles Rea, was unable to continue his duties in that capacity. I doubt whether he will be back with us. Mr. Chown filled in during the latter part of the session and in view of the general satisfaction which I feel he gave I have pleasure in moving, seconded by my colleague the hon. member for Winnipeg South Centre (Mr. Churchill), that he be appointed deputy chairman of the committee of the whole house.

Motion agreed to.

SUPPLY

APPOINTMENT OF COMMITTEE

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, for the motion I am about to move unanimous consent is required. We are now entering on the debate on the speech from the throne but there are several matters in the supplementary estimates which should receive the early attention of the house, and to place the house in a position where it may proceed therewith I intend to make this motion. I might mention that one of the supplementary estimates is designed to meet the situation in the prairie provinces where in consequence of drought there has been a pronounced diminution in the crop.

The house already knows as a result of statements made during the recess that we intend to introduce a measure to provide for acreage payments. Because of the need for early action I ask for unanimous consent to move, seconded by my hon. friend the member for Winnipeg South Centre (Mr. Churchill), that the house at its next sitting resolve itself into committee to consider of the supply to be granted to Her Majesty. In addition, if I may mention it as well at this time, I intend to follow that, also with unanimous consent, by moving that at the next sitting the house resolve itself into committee to consider ways and means of raising the supply to be granted to Her Majesty.

All I wish to have in this connection is the will of the house, if the house will accept the motion, in order that the matter to which I refer, together with one or two others, might receive early attention rather than having to wait until the completion of the debate on the speech from the throne which in the ordinary course of events would be necessary before this matter connected with acreage payments and one or two other questions could be dealt with.

Hon. L. B. Pearson (Leader of the Opposition): The motion proposed by the Prime Minister does involve a departure from the rules of the house. It would, as the right hon. gentleman has said, require unanimous consent, and he is requesting such consent.

That consent should, I think, only be given in circumstances where urgent or immediate action is required of a type which would justify the interruption of the ordinary business of the house—in this case, I take it, it would be the address in reply to the speech from the throne. The Prime Minister has mentioned one case which he thinks does justify such an interruption and we do not quarrel with him in that. He has said there might be two or three others which would justify the same change, or the same interruption and we should be glad to consider those when we have information in regard to them. However, we are not disposed to object to the Prime Minister's request for unanimous consent to moving a motion for the purpose he has indicated. The only one which he has indicated in detail concerns the payment of acreage payments to farmers for relief consequent on the drought.

Mr. Diefenbaker: Might I just add this, because I want to be as fair as the Leader of the Opposition. There is also the program in connection with winter works. I do not go beyond those two.

Mr. Pearson: We do not oppose the two matters which the Prime Minister has mentioned—the acreage payments and action in regard to winter works. We appreciate the fact that these matters are sufficiently important to justify an interruption in the debate on the speech from the throne and we would agree with the Prime Minister's motion on that understanding.

Mr. Hazen Argue (Assiniboia): We are quite prepared, and, indeed, quite pleased to give unanimous consent to the Prime Minister moving the motion he has in mind. I am certain we should be prepared at any time during the session to set aside normal business, if that seemed to be required, in order to deal with urgent matters. The Prime Minister has told us the two particular matters he has in mind. They have to do with

acreage payments and the winter works program. I might say that the acreage payments are something that might have been paid last fall—

Mr. Speaker: Order. The hon. member is rising to express the viewpoint of his party. The request is for unanimous consent, and this is not really a debatable matter. If the hon. member is willing to give consent, all well and good, but if not that ends it.

Mr. Argue: In spite of the fact that this might have been dealt with in some other way, in view of the Prime Minister's statement that these matters are urgent, we are prepared to give consent that they be brought in at an early date.

Mr. Speaker: Has the Prime Minister the unanimous consent of the house to move the proposed motion with respect to the committee of supply?

Some hon. Members: Agreed.

Mr. Diefenbaker moved:

That this house will at the next sitting resolve itself into a committee to consider of the supply to be granted to Her Majesty.

Motion agreed to.

WAYS AND MEANS

APPOINTMENT OF COMMITTEE

Mr. Speaker: Has the Prime Minister the unanimous consent of the house to move the further motion with respect to the committee of ways and means?

Some hon. Members: Agreed.

Right Hon. J. G. Diefenbaker (Prime Minister) moved:

That this house will at the 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

AFTERNOON SITTING ON FRIDAY, JANUARY 19

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, again asking the unanimous consent of the house, I should like to move:

That when the house adjourns this day it shall stand adjourned until tomorrow at 2.30 p.m., and that the provisions of section 1, standing order 2, shall be suspended in relation thereto.

Mr. Speaker: Has the Prime Minister unanimous consent to make the proposed motion?

Some hon. Members: Agreed.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, before you put the motion may I ask the Prime Minister or the leader of the house this question. In view of the fact that we have had no prior notice of the suspension of the debate on the throne speech, when is it the intention of the government to interrupt the debate in order to deal with the one or two matters which the Prime Minister has in mind?

Mr. Diefenbaker: I think, Mr. Speaker, that we might discuss that on Monday. We will proceed in the regular way on Monday and Tuesday. I think that would be early enough to give consideration to that question. I hope that the hon. gentleman will agree that that is proper.

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

Some hon. Members: Question.

Motion agreed to.

On motion of Mr. Diefenbaker the house adjourned at 5.15 p.m.

HOUSE OF COMMONS

Friday, January 19, 1962

The house met at 2.30 p.m.

CITIZENSHIP AND IMMIGRATION

TABLING OF NEW REGULATIONS—STATEMENT BY MINISTER

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, I should like to table copies of new immigration regulations approved earlier this week to take effect from February 1, 1962. The new regulations are in two parts, the first of which has been formally approved by the governor in council as P.C. 1962-86 of January 18, 1962, while the second part requires only the approval of the minister under section 62 of the Immigration Act. These new regulations consolidate, revise and replace the various regulations passed in previous years, including those issued under previous ministerial authority.

Part I of the new regulations deals with such important questions as visa requirements, admissible classes, the responsibility of transportation companies and most of the major administrative and policy matters dealt with in the present regulations.

Part II extends the field of jurisdiction of the immigration appeal board and ensures that all appellants will be given an opportunity to submit their appeals to an independent tribunal which is free to conduct its proceedings independently of departmental officials.

The most important provision of the new regulations is section 31 which is in fact the core of Canada's immigration policy. The new regulation 31, replacing section 20 of the former regulations, lays primary stress on education, training and skills as the main condition of admissibility regardless of the country of origin of the applicant. If a person can qualify on these grounds and has sufficient means to establish himself in Canada until he finds employment or, alternatively, is coming forward to approved employment or with suitable plans for self establishment in Canada, he or she is admissible subject only to the normal requirements of good health, good character and so forth. This means that any suitably qualified person from any part of the world can be considered for immigration to Canada entirely on his own merits without regard to his race, colour, national origin or the country from which he comes. This is a substantial advance over the former regulations in that the selection of immigrants, in so far as selection on the basis of skills is concerned will be done without discrimination of any kind.

Likewise if a person has the requisite skills and potential ability to establish himself in Canada he or she may also be sponsored by a parent, parent in law or fiancé already in Canada provided the sponsor is a Canadian citizen. The Canadian sponsor must be able to provide care and maintenance for such immigrant until the latter is able to look after himself. The sponsorship at the Canadian end takes the place of the requirement that the immigrant himself must have sufficient means or, alternatively, firm employment or self employment opportunities.

Subsection (c) of section 31 also provides for the admission of a somewhat wider list of immediate dependants and close relatives. It applies not only to sponsors who are Canadian citizens but also to persons other than Canadian citizens who have been legally admitted to Canada for permanent residence and who wish to bring forward a mother, father, husband, wife, grandparent, fiancé or an unmarried minor child. This provision is of universal application; its principal effect will be to improve the position of persons from countries which have received less favoured treatment in the past, by the inclusion of grandparents and fiancés in the admissible categories of dependents and by the elimination of age limits with respect to fathers and mothers.

Subsection (d) of section 31 continues unchanged the special provisions regarding the admissibility of certain classes of relatives such as brothers and sisters, adult sons and daughters, orphan nieces, etc., which applied to certain countries specified in former regulation 20(c). The reasons for the continuation of this special provision are essentially historical, based on the immigration patterns and policies that have been established over many years. This situation could only be changed by introducing restrictions and withdrawing privileges which have been enjoyed for many years by close relatives and sponsors from European and western hemisphere countries—those parts of the world from which Canada has traditionally derived the vast majority of its population. This the government does not deem wise or equitable

to do. To introduce restrictions at any point in the new regulations would have run counter to the government's basic objective which remains to foster and encourage, wherever possible, changes and improvements which will result in the immigration of larger numbers of suitably qualified immigrants to Canada.

The general effect of section 31, taken as a whole, is to improve the position of nationals of all countries, without weakening the position of any. The chief beneficiaries will be the Asians, Africans and nationals of Middle Eastern countries. Not only will sponsors in Canada be able to apply for a wider circle of relatives from these countries than formerly, but for the first time unsponsored applicants from these parts of the world with the necessary qualifications will be admissible to Canada. Heretofore, qualified persons from these areas without relatives in Canada could only be admitted by order in council.

Next to the Asians, Africans and nationals of Middle Eastern countries, persons from the Central and Latin American countries, including the West Indies, stand to benefit. Nationals of these countries will for the first time come within the admissible classes on the basis of their education, training and skills.

To a less significant extent, the nationals of European countries will also derive additional advantage from the new regulations. In the past, persons from continental European countries other than Britain and France could be admitted if they came to Canada to enter approved employment or to establish themselves in approved business, trade or profession, or in agriculture. Henceforth, they will come within the admissible classes if they have the necessary training and skills to qualify and have sufficient means to maintain themselves in Canada pending their successful establishment.

The new regulations make no mention of the special agreements which are in effect with India, Pakistan and Ceylon, formerly referred to in section 21. This does not mean that the agreements do not continue in full force and effect. Quite the contrary, the enlarged provisions of the new regulations bring directly into the admissible classes those qualified but unsponsored immigrants from these three countries who formerly were covered by the agreements and make it unnecessary to have a special regulation to provide for them. It is in fact the view of the government that the agreements with India, Pakistan and Ceylon will no longer be necessary, and it is the intention to arrange discussion on this point at an early date with the representatives of the governments concerned. Until such time, however, as these discussions have been completed to the mutual satisfaction of the governments directly concerned, these agreements will remain in effect without change.

Less important revisions of the new regulations include an extended definition of "child". The new definition makes provision for illegitimate sons or daughters under 21 years of age in cases where the mother herself is a legal resident of Canada or an immigrant to Canada. The literacy test in the former regulations, which was not satisfactory and, in fact, rarely used, has been abolished. The requirement of education, training and skills contained in the new regulations will, to a large extent, take the place of any formal requirement concerning literacy. The provisions of the former regulations dealing with passport and visa requirements have been reorganized and developed in more orderly fashion.

Part II of the regulations, made by the minister under section 62 of the act deal entirely with the jurisdiction of the immigration appeal board and appeals procedure. Under the former legislation the general board of immigration appeals, as it was then known, was given only a limited measure of jurisdiction to hear certain classes of appeals; the remaining classes of appeals were being dealt with by the minister or by the local, regional or headquarters appeal boards consisting entirely of departmental officials. This practice has been subject to criticism on the grounds that no opportunity was given for an appeal presented to a tribunal free to conduct its proceedings independently of departmental officials.

The assignment of all appeals to an independent board is further evidence of the government's desire to have all matters relating to appeals from deportation dealt with in the most impartial manner possible.

For the first time also the regulations codify and clarify the procedures and the rights and privileges of persons subject to deportation in so far as questions relating to the conduct of inquiries under the act are concerned.

The provisions of part II of the regulations safeguard the interest of the individual and ensure that he will receive a fair hearing. These provisions follow the principles of natural justice and are in line with the spirit of the bill of rights.

It is my hope that the new immigration regulations will commend themselves to all members of parliament, regardless of party, to all Canadians and to prospective immigrants around the world. They represent a conscientious and sincere effort on the part

of the government of Canada to enshrine the principles of equity and justice which will guide responsible officials in the discharge of their difficult and complex duties.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I notice, Mr. Speaker, that the hon. lady indicated that the order which she has tabled was dated January 18. I congratulate her upon having chosen that day to give a more liberal interpretation to the regulations.

Mr. Chevrier: That is well said.

Mr. Pickersgill: I did not attempt, of course, to follow all of the details although I listened attentively to the outline contained in the hon. lady's speech, but there are one or two observations I should like to make. Of course the hon. lady has done the best she could to indicate that the tribunal would be independent, but she knows that without an amendment to the Immigration Act the final decision in all these cases is vested by parliament in the minister and cannot be transferred by order in council to anybody else. All the appeal board can do is act in an advisory capacity to the minister, however much she may seek to bind herself to accept its advice. That is the law and that, of course, was one of the things members on the opposite side of the house objected to when they were over here, and which they were going to change five years ago.

The hon. lady has said that the new section 31, which is substituted for section 20 of the existing regulations, abolishes discrimination. Of course it does nothing of the kind. It substitutes one set of criteria for discrimination for another. I am one of those who think that the words "discrimination" and "selection", as any dictionary shows, mean precisely the same thing, and they cannot mean anything different.

The hon. lady is well aware, as she has said previously in the house, that there is in the existing regulations no racial or other similar discrimination, and I am glad there is not going to be any such discrimination now. But I suggest that what the hon. lady has done is to make it necessary to look at every individual case and compare it with every other case, and that, by abolishing some of the convenient general categories she is going to create an administrative problem that it will be absolutely impossible to cope with if we are to have any substantial immigration. Of course, if the pattern of 1961 is to be followed, when we had a net emigration from this country, it is probable that the new regulations are well designed to serve that end.

Finally, I should like to point out that what the government undertook to do five years ago was, not to change the regulations but to change the act, and that has not been done.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, the Minister of Citizenship and Immigration (Mrs. Fairclough) has now given to the House of Commons a most important statement on a most important matter. Through you, Mr. Speaker, I can say to the minister how much we regret that it was not possible to give the other members and parties of the house a preview of the regulations and the changes about which she has now given us notice. I say this because I am certain everybody will understand that, even with all we have been told in this statement, the implications and the interpretations are of such a nature that it is not possible at this time to make any major comment upon them.

However, we welcome at long last some official statement from the government and I am certain it will be understood when I say, with all due respect, that after all the vituperation we heard on immigration policy and other matters when certain hon. members sat on this side of the house—

Mr. Speaker: Order. I think the hon. member is going outside the scope of the statement that was made. I am not restricting him in commenting on the views the minister has expressed, but this is not a debate and he should keep himself to the matter which was announced by the minister.

Mr. Winch: At this stage, Mr. Speaker, I am certainly not entering into a debate, because that would take much longer than you would allow at this time. I am pointing out that at long last we have something that we understood was to come in by way of legislative enactment and which after five years the government has discovered can be carried out by regulation.

We welcome anything, whether it be by legislative enactment or regulatory change, that is going to mean the placing of the citizenship and immigration laws of Canada on a basis which will better demonstrate what democracy means to our country, our peoples, our governments and legislative bodies. We welcome anything that will demonstrate to the world that we are completely honest in our position on immigration; that it should be on a non-discriminatory basis and not influenced by colour, sex, creed or the country from which these people come.

We have heard only very briefly of the new principles of immigration under section 31, I believe it is, based on education and skills primarily. We hope that when we have had a chance to study what the minister has

told us this afternoon we shall find that as an immigration policy carried out by regulation in Canada it will be determined by the status of the economy of this country and the ability of Canada to absorb immigrants without detriment to those who are already resident here. We hope it will place those who come into our country in positions of employment with facilities for education which will enable them, immediately, to become first class citizens.

It was difficult to follow the whole of the announcement, but we also hope there will be no repetition of difficulties which have been felt so severely by some of those who are already citizens of this country, such as the Chinese and the East Indians. We appreciate the fact that an announcement has been made and trust that a full interpretation of the statement will be given at a later date and that all of us will have an opportunity to go thoroughly into the entire question of immigration and the granting of Canadian citizenship.

TRADE

EUROPEAN COMMON MARKET—INQUIRY AS TO PROGRESS OF NEGOTIATIONS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Prime Minister if he can inform the house whether the negotiations between Canada and the European common market for the removal of obstacles to trade are being conducted at the present time along the lines of those which have recently resulted in an important agreement on these lines between the United States and the European common market.

Right Hon. J. G. Diefenbaker (Prime Minister): Our negotiations in GATT have been proceeding. In so far as the general import of the question is concerned, I think that at a very early opportunity the house will be made fully aware of what is being done in connection with this matter.

Mr. G. J. McIlraith (Ottawa West): I should like to direct a question to the Prime Minister, in the absence of the Minister of Finance, and ask him if he would table a copy of the document forwarded by the United Kingdom to the Canadian government described as a summary of the speech made by the Lord Privy Seal of the United Kingdom on October 10 in Paris on the subject of the common market and referred to by him, according to the United Kingdom *Hansard*, as a full summary of that speech.

[Mr. Winch.]

Mr. Diefenbaker: I will look into the question asked by the hon. gentleman to determine whether or not an affirmative answer can be given.

Mr. McIlraith: I wonder whether the Prime Minister would also look into the question of tabling the full text of the speech as well.

URANIUM—INQUIRY AS TO NEGOTIATIONS WITH UNITED KINGDOM

On the orders of the day:

Mr. Walter Pitman (Peterborough): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce.

Would the minister comment on a report in the London *Economist* to the effect that Britain and Canada have reached a tentative agreement on the sale of 12,000 tons of uranium at a price of $5.25 a ton and that the agreement will be signed by the end of January?

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I would say that the report is purely speculative. I should like to report to the house that the British and ourselves are making progress in this matter and I hope it will not be long before we reach a satisfactory conclusion.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, may I ask the minister a supplementary question. Can he give the house an assurance that immediately this contract is signed the government will take steps to allocate a contract to the producing companies?

Mr. Hees: As soon as the agreement is signed with the British government, Mr. Speaker, the Canadian government will certainly see to it that as soon as possible after that the mines are notified of the quantities that would apply to them.

GRAIN

WHEAT—INQUIRY AS TO FINAL PAYMENT ON 1961 CROP

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I wonder if I might direct a question to the Prime Minister, in the absence of the Minister of Agriculture (Mr. Hamilton). In view of the continuing need for additional payments to western producers is the Prime Minister in a position to say when the final payment on last year's wheat crop may be made? Will it be made at an early date?

Right Hon. J. G. Diefenbaker (Prime Minister): That matter is before the wheat board. Naturally, the payment will be made

at the earliest possible date consistent with the completion of the accounts. I do not have the actual information but I believe the payment will be made before very long. Assuredly it will be made in advance of seeding, which is one of the occasions most important to the western farmer.

Mr. Argue: A further point in order to clarify the Prime Minister's answer. Will this be the final payment or a supplementary payment in view of the increased price for wheat?

Mr. Diefenbaker: My understanding is that it would be a final payment.

(Translation):

HOUSE OF COMMONS

SECRETARY OF STATE—REFERENCE TO ACTIVITIES OF QUEBEC LIQUOR POLICE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I wish to direct a question to the Secretary of State. In view of the statements made by Mr. Lucien Tremblay and Dr. Poirier, which were quoted in newspapers, has the minister any statement to make concerning the activities of Quebec liquor police officers in Bellechasse county during the last general election.

(Text):

Mr. Speaker: Order. If I understand the hon. member's question correctly it relates to a matter which, having taken notice of in the press, I would say was not part of the administrative responsibility of the minister who is Secretary of State but is a matter which relates, rather, to his conduct outside the ministerial field. I would suggest to the hon. member for Laurier that, such an inquiry is not appropriate to be introduced in this way as a question.

Mr. Chevrier: May I bring two things to Your Honour's attention—first, the fact that this is a matter which comes under a division of the chief electoral officer and election matters affecting a constituency; second, the fact that the minister has already made a number of statements dealing with the matter. I should therefore think a question as to the statement which he has made would be appropriate.

Mr. Speaker: If the minister volunteers to make a statement on the matter raised, well and good; but I would not find the subject matter to be within the scope of proper questions relating to the administrative responsibility of the government. It is a subject which could be raised in the house in other ways but not by questions relating to the administrative responsibility of the government.

Inquiries of the Ministry

NATIONAL DEFENCE

BOMARC BASES—INQUIRY AS TO OPERATIONAL DATES

On the orders of the day:

Hon. Paul Hellyer (Trinity): I wish to direct a question to the Minister of National Defence. Can the minister advise the house when the Bomarc squadron at North Bay and the Honest John battery in Europe will become operational?

Hon. D. S. Harkness (Minister of National Defence): As far as the dates on which units of this kind become operational are concerned, it has never been the practice to advertise beforehand when those dates would be, and I do not see any good reason for departing from that practice at the present time.

Mr. Hellyer: Mr. Speaker, a supplementary question. Would the minister advise the house when either of these units will be armed with either a conventional or a nuclear warhead?

Mr. Harkness: Mr. Speaker, when a decision has been made in that regard, as was indicated in the house last year, the house will be informed of it.

TRANSPORT

BRITISH COLUMBIA—PURCHASE OF DOMESTIC ENGINES FOR FERRIES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce. For the information of the house let me say that my question is based on a rather intriguing newspaper report in the *Gazette* of January 15 which bore the headline "Ottawa Advises B.C. to Purchase Domestic Engines for Ferries".

Some hon. Members: Order.

Mr. Herridge: I am trying to be helpful. In view of the fact that according to this report the lowest tender for these ferry engines was submitted by Ruston and Hornsby, Limited, England, and in view of the fact that this action has caused a protest from the United Kingdom trade commissioner who said that this was unfair to British firms and that the Canadian firm would import many of the parts for the engines from the parent company in the United States, is the minister in a position to inform the house of all the circumstances surrounding this report?

Inquiries of the Ministry

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I wish to thank the hon. member for Kootenay West for giving me notice of his intention to ask this question.

This matter concerns the proposed construction of a ferry for the British Columbia government, and an application for the government's recently introduced shipbuilding subsidy which is providing so many jobs for Canadians in shipyards all across Canada.

Whether or not Canadian engines will be used in this proposed ship, let me say in answer to the hon. member's question that the purpose of the government's shipbuilding subsidy is to assist Canadian shipyards and Canadian workmen, a purpose with which I feel sure all hon. members agree.

TRANSPORTATION

ROYAL COMMISSION—INQUIRY AS TO TABLING OF REPORT

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Prime Minister and ask him when the oft promised and long delayed report of the royal commission on transportation will be tabled in the house?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I am pleased to say we received the report a few days ago. The reason the hon. gentleman was not notified is that the house was not sitting, and out of deference to it we decided to wait until it met so that the hon. gentleman would have no cause to complain that the government was acting in a way detrimental to parliament.

Mr. Chevrier: A supplementary question, Mr. Speaker. Has the Prime Minister forgotten that he indicated to the house on several occasions that the report would be tabled?

Mr. Diefenbaker: Yes, Mr. Speaker, it will be tabled, and if the hon. gentleman would like to have it tabled early next week it will be done. I shall do my best to have it here at the earliest possible date.

[*Later:*]

Mr. Hazen Argue (Assiniboia): I wish to direct a question to the Prime Minister. Can he inform the house when the government anticipates receiving the second and third reports of the royal commission on transportation?

Mr. Diefenbaker: As the hon. gentleman must recollect, Mr. Speaker, because it is just a matter of half an hour ago, that question was asked by the hon. member for Laurier regarding when the second report would be received. It has been received and it will be tabled early next week.

AGRICULTURE

BUTTER—DISPOSAL OF SURPLUS

On the orders of the day:

Mr. John R. Matheson (Leeds): Mr. Speaker, I wish to direct a question to the Prime Minister in the absence of the Minister of Agriculture.

Will the Prime Minister advise the house whether a request has been received from farm representatives for a consumer butter subsidy of 14 cents a pound in order to dispose of the large stocks of butter?

If so, would the Prime Minister indicate whether any action is intended by the government to meet the problem of this record butter surplus?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I read in the press that the dairy council had made a recommendation along that line. Unfortunately the Minister of Agriculture (Mr. Hamilton) is absent through illness. However, as soon as he returns, which I expect will be shortly, this matter will be answered.

Mr. Hellyer: A supplementary question to the Prime Minister, Mr. Speaker. Would the Prime Minister say whether this is the only surplus the government has with which to butter up the electors?

LABOUR CONDITIONS

NEWFOUNDLAND—INQUIRY AS TO LAY-OFFS OF MINERS

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): Mr. Speaker, I should like to direct a question to the Minister of Mines and Technical Surveys, his first question.

In view of the recent statements made by officials of the Dominion Steel and Coal Corporation that a scheduled shut-down at the Wabana iron ore operations at Bell Island, Newfoundland, affecting some 500 miners is soon to take place, would the minister advise the house whether the government contemplates any action to avert this lay-off?

Hon. Jacques Flynn (Minister of Mines and Technical Surveys): Mr. Speaker, because the hon. gentleman did not give me notice of his intention to ask this question, I think he will understand if I say that I shall take it as notice.

LIVESTOCK

RABIES—COMPENSATION TO ONTARIO FARMERS FOR LOSS IN OUTBREAKS

On the orders of the day:

Mr. E. A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Minister of Agriculture and, in his absence, for the acting minister. Inasmuch as I have sent him notice of my intention to ask this question perhaps I could expect an answer.

Due to the increased incidence of rabies in Grey and Bruce counties as well as in other sections of Ontario, would the acting minister say whether the Department of Agriculture will again co-operate in the payment of compensation to farmers for losses of livestock through this disease?

Hon. D. S. Harkness (Acting Minister of Agriculture): Mr. Speaker, I shall be very glad as acting minister of agriculture to look into that matter and give the hon. member an answer as soon as possible.

ONTARIO

INQUIRY AS TO BY-ELECTIONS

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I should like to ask the Prime Minister a question based upon a statement which appeared in the Toronto *Telegram* of January 15 and, I believe, made in the presence of the Prime Minister by the Minister of Finance to the effect that the by-elections in Ontario were little general elections the importance of which is paramount. In view of this statement—

Mr. Speaker: Order. I have not heard the hon. member's question but the factual basis clearly indicates it does not involve the administrative responsibilities of the government.

Mr. Martin (Essex East): Well, Mr. Speaker, I thought the fact that this was a statement made by one of Her Majesty's ministers of the crown gave the question the required validity. However, I shall bow to Your Honour's ruling and simply ask the Prime Minister who is in a very happy mood today whether the cataclysmic events of yesterday have caused him to give any consideration as to when the next federal general election will take place?

Right Hon. J. G. Diefenbaker (Prime Minister): When a question is asked in such a mellifluous way, naturally it demands an answer. I remember when the hon. gentleman was sitting over here on this side of the chamber and the then government lost nine, ten or eleven federal byelections. When we asked a similar question, they said, "Wait until the general election". We waited and the government went back.

WATER RESOURCES

REPORTED DIVERSION FROM JAMES BAY TO GREAT LAKES

On the orders of the day:

Mr. Hubert Badanai (Fort William): I wish to direct a question to the Secretary of State for External Affairs. It has been reported that Governor Kerner of Illinois has been pressing President Kennedy's administration for a deal with Canada for diversion of more water from the James bay watershed into the great lakes system. Can the minister inform the house whether a deal has been made or whether such negotiations are now in progress?

Hon. Howard C. Green (Secretary of State for External Affairs): No, Mr. Speaker; there are no negotiations in progress between Canada and the United States on any such plan.

COMBINES

RAW FISH—INQUIRY AS TO ACTIVITIES OF COMMISSION

On the orders of the day:

Mr. Frank Howard (Skeena): I wish to direct a question to the Minister of Justice. Can he say what progress is being made by the restrictive trade practices commission with regard to hearings into the production, sale and distribution of raw fish in British Columbia, which hearings have been postponed by a number of court injunctions.

Hon. E. D. Fulton (Minister of Justice): I checked on that matter, Mr. Speaker, two days or so ago. My information is that one of the injunction proceedings restraining the commission with respect to a certain course was disposed of in British Columbia the other day. There is therefore now just one further stage with respect to one of these injunction proceedings to be settled or disposed of in the Supreme Court of Canada. As soon as that has taken place, the hearings can and will be resumed.

AIR TRANSPORT

C.P.A.—APPROVAL OF FLIGHTS FROM WESTERN CANADA TO LONDON

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I wish to direct a question to the Minister of Transport. Can he say whether the announcement he made on behalf of the government toward the

end of the last session to the effect that Canadian Pacific Airlines were authorized to fly a route from western Canada to London has received the approval of the United Kingdom government as to landing rights in London?

Hon. Leon Balcer (Minister of Transport): The answer is not yet, Mr. Speaker.

POWER

COLUMBIA RIVER—STATUS OF NEGOTIATIONS WITH B.C.

On the orders of the day:

Mr. Lucien Cardin (Richelieu-Vercheres): I wish to direct a question to the Minister of Justice. Can he report any progress in his negotiations with the province of British Columbia on the Columbia river project which was described in the speech from the throne on November 17, 1960, as the largest of Canada's national developments but which was not mentioned in the speech from the throne delivered by His Excellency yesterday.

Hon. E. D. Fulton (Minister of Justice): As I think the hon. gentleman knows, Mr. Speaker, my colleague the Minister of Finance has asked the premier of British Columbia to name a day or days when it might be convenient for him to meet with the Minister of Finance in order to discuss this matter further.

COLUMBIA RIVER—REFERENCE OF TREATY TO HOUSE COMMITTEE

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Prime Minister whether it is the intention of the government to submit the Columbia river treaty to a committee of the house for examination during the present session of parliament.

Right Hon. J. G. Diefenbaker (Prime Minister): I think that question was dealt with at the last session, Mr. Speaker. There is no intention of submitting the treaty to a committee of the house for examination.

BUSINESS OF THE HOUSE

INTRODUCTION OF AMENDMENTS TO IMMIGRATION ACT

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wish to direct a question to the Minister of Citizenship and Immigration. In the absence of any reference in the speech from the throne to amendment or revision of the Immigration Act, I wonder whether the government has abandoned its declared intention to put such legislation before parliament and is now content to legislate by order in council.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): The answer to the last part of the question is no. After very careful study it was felt that the proper procedure would be to pass the regulations first and give them an opportunity to work, consult with the various groups who are interested, seeking their advice and co-operation and then, after that has been done, to make the necessary amendments to the act.

Mr. Pickersgill: Would the hon. lady describe the undertaking with respect to the Immigration Act as one of the twelve?

INDIAN AFFAIRS—IMPLEMENTATION OF COMMITTEE RECOMMENDATIONS

On the orders of the day:

Mr. Frank Howard (Skeena): I have a supplementary question. I wonder whether the course which the hon. lady just outlined with respect to the Immigration Act is the one that is going to be followed with respect to the Indian Act?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): After the recommendations of the joint committee of both houses have been fully digested and discussed with the interested parties I expect that in due time there will be amendments to the Indian Act.

SPORTS

ADVISORY COUNCIL—PROCEDURE RESPECTING GRANTS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to direct a question to the Minister of National Health and Welfare. The question is based upon the presumption that some confusion still exists about the advisory sports council. To whom should an organization apply for funds or assistance under this legislation? Should it apply to the minister or to the chairman of the council? If it should apply to the chairman, where is he?

Hon. J. W. Monteith (Minister of National Health and Welfare): Application can be made through either party. The chairman will be in Ottawa frequently. Any communications will, of course, be going forward to him. Application can be made to the minister or to the chairman, whichever is convenient to the person making the application. Either course is perfectly satisfactory. The information is passed on to the council.

HEALTH AND WELFARE

ROYAL COMMISSION—INQUIRY AS TO REPORT

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Minister of National Health and Welfare whether he is in a position to advise the house whether the royal commission inquiring into medical care insurance will report to the government before the dissolution of parliament.

Hon. J. W. Monteith (Minister of National Health and Welfare): I am not in a position to say.

UNITED NATIONS

ANGOLA—REFERENCE TO CURRENT SITUATION

On the orders of the day:

Mr. Hubert Badanai (Fort William): I have a question for the Secretary of State for External Affairs. It has been reported that a reign of terror is being conducted in the northern borders of Angola by Portuguese troops against pastors, deacons and known Protestant Christians—

Mr. Speaker: Order. While the hon. member is dealing with a matter of international interest, I think he is getting beyond the scope of any of the ministers of this government.

Mr. Badanai: Speaking on a point of order, sir, I beg to submit that I merely wished to ask the minister whether he is aware of this fact and whether a protest has been made on behalf of Canada against the atrocities.

Mr. Speaker: If the hon. gentleman will refer to the precedents, I think he will find that while external affairs may be proper subjects for inquiry by oral questions before the orders of the day, the details of what goes on in various foreign countries could not very readily be handled in this way.

AIRPORTS

SAULT STE. MARIE, ONT.—CONSTRUCTION OF TERMINAL BUILDING

On the orders of the day:

Mr. G. E. Nixon (Algoma West): I should like to ask the Minister of Transport whether he is in a position to say when a start will be made on a permanent terminal at the Sault Ste. Marie airport and whether any consideration has been given to starting this project as a winter works program.

Hon. Leon Balcer (Minister of Transport): I will be in a position to answer that question on Monday or Tuesday.

Inquiries of the Ministry

WINDSOR—ENLARGEMENT OF RUNWAY FOR C.P.A. FLIGHTS

On the orders of the day:

Hon. Paul Martin (Essex East): In view of the announcement of Canadian Pacific Airlines that it is going to have a run from Windsor to Mexico, can the minister say whether the Department of Transport proposes to enlarge the runway in order to take care of the aircraft in question?

Hon. Leon Balcer (Minister of Transport): The Department of Transport is doing an extremely efficient job in keeping all our airports right up to date and well prepared to receive all the necessary transports.

IMMIGRATION

ACTION RESPECTING ALLEGED IRREGULARITIES IN CHINESE IMMIGRATION

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder whether I could ask the Minister of Citizenship and Immigration if the government has abandoned the investigation into the alleged irregularities in Chinese immigration?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, I think that question might more properly be directed to the Minister of Justice because the responsibility of my department is now the regularization of the status of those persons who make voluntary statements and apply for adjustment of their status.

Mr. Pickersgill: Mr. Speaker, I am most happy to direct the question to the Minister of Justice.

Hon. E. D. Fulton (Minister of Justice): I am afraid the hon. member will have to repeat it if he wants an answer.

Mr. Pickersgill: For the benefit of the Minister of Justice I will repeat the question, sir. The question was, has the government abandoned the investigation that was being conducted into the alleged irregularities in Chinese immigration into this country?

Mr. Fulton: The answer, Mr. Speaker, is no.

SPEECH FROM THE THRONE

ADDRESS IN REPLY, MOVED BY MR. RODRIGUE BOURDAGES AND SECONDED BY MR. J. F. BROWNE

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

(Translation):

Mr. Rodrigue Bourdages (Laval): Mr. Speaker, on the second day of this session of the 24th parliament, my first words are intended directly for the Prime Minister of our country (Mr. Diefenbaker).

I want to tell him how deeply touched I am that he should have chosen me to move the address in reply to the speech from the throne. I want to thank him sincerely. I also wish to offer him the thanks of the people of the constituency of Laval, who, I am sure, were very flattered by this great honour. Today, Laval is certainly the most densely populated constituency; French Canadians make up almost 95 per cent of its population.

I think that the Prime Minister has proved once more his sincerity and his honesty toward the French Canadians of the country by asking one of their own to move the address in reply to the speech from the throne.

At this time, I would like to extend my warmest congratulations to the Secretary of State (Mr. Dorion) who was recently appointed chairman of the privy council by our Prime Minister.

Quite recently, the Prime Minister asked a very talented colleague, the hon. member for Quebec South (Mr. Flynn), who has now been appointed Minister of Mines and Technical Surveys, to join his cabinet. I am sure that he will render most valuable services to this country.

Mr. Speaker, Providence has been kind to hon. members of the house in many respects. Among others, we are happy to see you back in the chair, radiant with health and always ready to preside in all dignity and fairness over the numerous debates which take place in this house.

To assist you in that difficult task, the Prime Minister suggested, which was by no means easy, considering the question which had to be put yesterday, the member for Pontiac-Temiscamingue (Mr. Martineau), who has none but friends among us and whose kindly disposition has become a byword, as Deputy Speaker of the house.

At this time, I would like to tender my congratulations to all parliamentary secretaries who have been reappointed, and I also want to express my best wishes to the two new ones.

Mr. Speaker, as I am unable to greet each hon. member individually, may I tender them, without forgetting anyone, my best wishes for a happy new year and the best of health.

(Text):

As every member already knows, Mr. Speaker, the very talented member for Vancouver-Kingsway (Mr. Browne) has been rightly chosen by the Prime Minister (Mr. Diefenbaker) to deliver a speech in approval of the speech from the throne. My colleague was born in Vancouver and I was born in Halifax. We now meet in Ottawa today with the same kind of spirit. It is a coast to coast parley, if one may put it that way. May I congratulate him and wish him all kinds of success.

(Translation):

May I add that, after hearing the speech from the throne read by His Excellency the Governor General of Canada, every hope is possible. Indeed, every Canadian has strong sentiments of pride and gratitude towards His Excellency.

As for my compatriots, they are rejoicing that one of them, a prominent figure, is in this country the representative of Her Gracious Majesty the Queen.

At the outset of this fifth regular session of the 24th parliament, it is important to draw a picture of the events of the last four years on the federal stage. One can thus see the extraordinary improvements in the national life of Canada brought about by a Conservative administration under the able direction of the right hon. the Prime Minister.

As soon as it came into power, the new government was faced with problems of capital importance that were almost insoluble.

The economy was marking time, if not in recession. The price of Canadian commodities was on the rise; our products could not be sold on foreign markets. The building industry was almost at a standstill; moreover, competition from foreign products was taking away from us not only our export markets, but was also threatening our own domestic markets.

What were the consequences of this unfortunate situation? Unemployment was ever increasing in our country; Canada seemed doomed to an economic recession for an indefinite period. Prompt and effective action was necessary. Therefore, the Prime Minister and his lieutenants earnestly set themselves to the task. They united their efforts and their talents. In this way, the disaster that was imminent in 1958 could be avoided; Canadian economy took a new turn. It now seems to be on the way to set new records.

Strong action was taken in all sectors of our economy and, as a result, the Canadian people have enjoyed increased purchasing power in the past four years.

What problems were we faced with? First, there was social security. The Conservative government gave to the aged, the disabled, the blind and the veterans of world wars

I and II and of Korea allowances and pensions large enough for their daily subsistence.

The unemployed needed generous assistance. The government gave them enough money to keep the wolf from the door. Their hopes were renewed and they soon found employment.

That is concrete evidence, Mr. Speaker. It is obvious that increased purchasing power in Canada largely contributed to the continuous flow of business and to the recovery of our economy.

Since 1957, the building program was intensified to provide our citizens with modern and comfortable homes at a price proportionate to their income. Thus, thanks to the steps taken by the federal government, half a million new houses were built in this country. The C.M.H.C. lent the sizeable amount of $2 billion to various building contractors. According to forecasts, an equal number of new homes will be erected within the next four years.

The campaign for the sale of Canadian manufactured products led to an important increase in our export trade. According to the figures released by the dominion bureau of statistics at the close of 1961, our exports have exceeded our imports for the first time in 25 years. This policy had a most fortunate result, namely the balancing of our international trade.

Here is where the union of the vital forces of the Canadian nation is to be noted with pride. Private enterprise did not remain at a standstill. It gained strength. It was encouraged from all sides. Every industrialist, every businessman, big or small, received the same welcome, the same enthusiastic encouragement.

The Conservative government has always believed in the necessity of private enterprise, for private enterprise is the very essence of democracy. It gets its inspiration from work seriously accomplished, from a desire to improve one's lot. Why, indeed, is Canada the pride and joy of the United Nations? Because Canada is a free nation, a nation where one finds joy in thinking for one's self, where one may make his savings grow, where one may think of his children. A good father wishes to live on through his family. For his offspring, he not only wants welfare, he wants a life of well-being. For his children, he will build an industrial enterprise, a business enterprise. In short, he wants to enjoy to the fullest the pleasures of family life.

Canada, under the Conservative regime, is living its finest hours of freedom. There is here a place in the sun for everybody. Each is entitled to live his own life, to have his own means of subsistence, even to enjoy luxuries. Private enterprise and the state are two great friends who, provided they keep on understanding and helping each other, will never see hovering above them the dark cloud of doubt and suspicion. For man is not made for the state; it is the state that is made for man. That is how the present government thinks and acts.

International trade is based on private enterprise. In Canada, it reveals impressive figures which reflect a great improvement.

On January 12, 1962, *Time* magazine had this to say:

> Exports have increased by 7½ per cent to a record of 5.8 billion; and even if imports have gone up by 3 per cent, the value of imported products amounts to 5.7 billion.

These results substantiate the forecasts of the Minister of Trade and Commerce (Mr. Hees), who, in a memorable gesture, sent all his salesmen abroad in order to find new and broader markets for our products. The experiment was conclusive. In common market countries, our sales went up by 16 per cent; in Japan, by 38 per cent; and in Asiatic countries, Canadian exports, having increased by 61 per cent, reached $312 million for the first eight months of the year.

In eastern Europe, the increase is about 90 per cent; in Latin America, approximately 36 per cent. As for China, that country will accept delivery of 233.5 million bushels of wheat between the years 1961 and 1963.

In the Saturday, December 9, edition of the *Financial Post*, the following appeared:

> (1) 1962 will be a year of prosperity and progress for the whole Canadian nation;
>
> (2) business firms are expecting an increased turnover and much larger profits;
>
> (3) those forecasts are the result of an elaborate survey made by experts in the fields of finance, economy and industry and thousands of businessmen were polled in every province of the country.

Here are, in short, the conclusions of the survey I have mentioned:

> (a) At least 75 per cent of the Canadian companies expect a boost in the sale of their products; the remaining 25 per cent forecast about the same turnover as in 1961 which was already large; consequently, a widespread optimism prevails in the business world;
>
> (b) The volume of export sales will be improved for almost all companies; this is the result of the sales campaign undertaken by the trade and commerce department, ably supported by all federal government departments;
>
> (c) Corporation and individual profits will be considerably increased, in 60 per cent of cases; they will be similar to those of 1961 in 25 per cent of cases, and 15 per cent only of the people polled expected a slight decrease in profits;

(d) Three companies out of four expect that commodity and export prices will remain as they are;

(e) Salary levels in general will continue to increase, according to at least 75 per cent of the people polled;

(*f*) At least half of the Canadian enterprises of large or medium importance which have been polled have well defined plans for the improvement of their plants, and intend to develop new industrial plants in 1962. Such are the extraordinary results of the industrial and commercial activities of the country, which constitute the best evidence that the economic recession which plagued Canada over the last three years is now definitely a thing of the past.

This is obviously only the first step in the expansion of our international trade. We have reason to hope that other markets will soon be opened for our products and that the efforts of free enterprise ably seconded by the officials of the trade and commerce department will be successful.

Barely a year ago a far too large number of Canadians were dispirited by the climate of depression. The reason was that several prophets of doom and gloom were predicting that the worst disasters would befall the Canadian nation, while strangely ignoring the effort made to effect a recovery in all sectors of our national economy.

Such a pessimistic approach to our problems could have been nefarious for many. Perturbed by the climate of depression foreseen by the members of that gloomy caravan, they could have cancelled all their plans for development and exports, which were essential to the development of the economic life of the nation.

It is certain that businessmen from abroad, concerned over the bad news from Canada, delayed and even cancelled their plans for investment in this country. One has to admit that some foreign newspapermen, influenced by the constantly pessimistic statements of the government's opponents, expressed their misgivings in articles published in French and British newspapers.

Fortunately however, facts have confirmed the success of the steps taken by the Conservative government, which in time created an atmosphere of irresistible confidence among businessmen. The economy of Canada is definitely launched on the road of progress and prosperity.

The Conservative government opens new economic vistas. It promised, for instance, that it would take dynamic steps to offer direct assistance to industries. It built paved roads in inaccessible areas in order that the products of the soil and the sub-soil may reach the heart of the country. It built wharves, enlarged harbours and facilitated the entrance of cargo-carrying ships. It built railways that link the spur lines to mines of all kinds. Thanks to its efforts, the farthest corners, the most forsaken places are open to the benefits of civilization.

A start has been made. We will go farther into the interior, mountains will be levelled, if necessary, bridges will span gullies. But Canada will go forward. Canada's future is most promising. The Conservative government will see to it. It has made promises. It has kept them. It even wants to go beyond its promises and, consequently, give to the people so long neglected in those remote regions, a true, realistic hope, not the visionary hope of the previous administrations, of having at last the right to live like everybody else.

The Conservative party is the friend of the underprivileged, of the poor. It wants to help them, to grant their every wish, if possible. The happiness of all is the key to its success.

Today we can state strongly that Canada is living in an era of prosperity. Industry, trade, business hire more and more people. In fact, the number of Canadians at work has increased from 6,029,000 in August 1957 to 6,381,000 in August 1961, which represents a total of 352,000 new jobs created by the party in power during those four years.

The experts predict that the gross national product will go up 6 or 7 per cent in 1962. Unemployment will decrease and employment will rise. The purchasing power of Canadians will have no equal.

These wonderful successes are the doing of shrewd and intelligent administrators who have retained the unlimited confidence of the people.

Confidence of the people is the strength of a people. The whole story of these last four years is one of common efforts, of mutual help. Canada is made up of ten provinces, all have their part to play within confederation.

Each has its own characteristics. Each is beautiful in its own way. They make up a magnificent display. They need one another. It is much more than a good neighbour policy. It is close unity. In a few words, it is a profound national unity, well understood and respectful of vested rights. Alone, man would perish. United, he sets up what we call a society. Canada is strong because it is united, because we have the feeling that its unity will develop into a closer and more efficient association. From Halifax to Vancouver, Canada is a great and grand country. Certainly in its geography, but even more so

in its citizens. To them indeed, Canada is a nation with two splendid cultures, a nation which commands respect, because it is a self-respecting nation.

Such is the thinking of this government, Mr. Speaker. In this society, various classes live together without any clash between one another. That is because they are not so unhappy after all. Man is the basis of every society. He has certain duties of course, but he also has certain rights. Our Prime Minister has sealed them forever in a masterly way in his bill of rights. Let praise be given to whoever deserves it.

The speech from the throne read by His Excellency the Governor General has pleased all Canadians. The new measures which this government intends to introduce prove in a tangible way and unequivocally that, it definitely intends to improve the standard of living of all citizens in the ten beautiful provinces forming this nation whose future looks brighter and brighter. By his brilliant leadership and, above all, his foresight and the clearness of his judgment with which he leads the Conservative team, our present Prime Minister has proven one of the greatest prime ministers in the history of the Canadian confederation.

One of the most popular measures announced by the government is that concerning the construction of a railroad from Matane to Ste. Anne des Monts in the province of Quebec. Ever since the last century, the Gaspé peninsula, left to her own means, in spite of a generous and resourceful population has been economically isolated from the rest of the province of Quebec and even from the country. Previous administrations repeatedly deceived the people of Quebec. Because of their inconsistency, they have lost the confidence of Quebec.

It is only after the Conservative party led by a great Prime Minister had taken over that the Gaspé peninsula could hope for something. Only a Prime Minister who has modern and dynamic ideas could, in less than four years, do what generations had not been able to achieve.

I already see mines being developed, industries being built up. I can see carload after carload of all kinds of products coming from that land with a promising future. That measure is both a tribute to and the recognition of the gigantic job done by the untiring member for Gaspé (Mr. English). Before long, Mr. Prime Minister, we shall be able to say, thanks to you: "Gaspé peninsula, the land of tomorrow, because it is the land of today".

The pensioner, who has given his best years to his country and who, on account of his age, must withdraw from the workers' front line, the man or woman who is perhaps alone in this world, those are the ones whom the Conservative government did not forget. It looks with sympathy upon the situation of those wonderful people who are the wisdom of this nation. It wants, in a noble gesture, to give them hope for a happy old age.

So, our invalids, our veterans, and the blind, and all those who are in a sad plight, will know better days and, thanks to a measure taken by a Conservative government will have brighter days in their ill-fated lives. The Conservative government's action, it can readily be seen, indicates clearly that it is bringing to Canadians of all age groups, and especially to those who are less fortunate, better days, greater comfort and a most promising future.

The Conservative government, fully conscious of its role in the continuing betterment of the comfort of all Canadians, will see to it that a Canadian welfare council be created. I am delighted with this news, which represents a very important step, taken by the Conservative government, toward a better life. Although the structure of that council will only be discussed at a later date, I am convinced that the Conservative government, thanks to that measure, will improve the fate of all Canadians. May I be allowed to express the hope, Mr. Speaker, that our young people will also benefit from such a measure.

Our young people in fact—the hope of our nation—form a class on which are focused all the objectives aimed at by a people that wants to be great and strong. Our young people, I am sure, have not been forgotten by the Conservative government. Hardly a month after the setting up of the sports council—an initiative which has been so widely acclaimed across the country—the Conservative government is not sitting back. It has already announced the setting up of a welfare council. I welcome this measure, Mr. Speaker, which, again I hope, will, through its results, pave the way to a still better future, in giving our young people the ideal which must be the shining beacon of the coming generation. I strongly hope that this measure will also contribute to stop juvenile delinquency, which is not without causing some concern to our psychiatrists and educators.

Ever since May 14, 1930, when the Jacques Cartier bridge was inaugurated, its users have been forced to pay substantial sums to cross over that bridge which connects Montreal with the south shore. As for Victoria

bridge, it is one hundred years old. Both bridges are a bane to greater Montreal motorists; they are a constant nuisance, morally and financially.

We had to have a wise and enlightened administration—to put it briefly, the present government—to take steps to put an end to this toll system.

The legislation which the Conservative government will introduce will be a highly popular one. Besides filling with joy the people of the Montreal metropolitan area, it will assist business on both shores. This legislation will thus prevent those traffic jams which have become so notorious. It will bring relief to the workingman who needs all his money for his family's livelihood. This Conservative government measure, I know, will fill with joy the Associate Minister of National Defence (Mr. Sevigny), the member for Longueuil, who has always had at heart the removing of the tolls on the Jacques Cartier and Victoria bridges.

Mr. Deputy Speaker: I am sorry to interrupt the hon. member, but I have to advise him that his time has expired.

Mr. Dupuis: It is most interesting. Carry on.

Some hon. Members: Carry on.

Mr. Bourdages: Thank you, Mr. Speaker. So, I must say, bravo, well done, Mr. Prime Minister.

One sentence from the speech from the throne which particularly impressed me was that which referred to the recommendation of a number of measures that will constitute further steps in working out the purposes of confederation and identifying more clearly the definition of Canadian nationality.

Mr. Speaker, these aims will no doubt help to instil in both French and English speaking Canadians, a greater feeling of national pride. In turn, this will add to the joy, which we all share, of being part of a nation whose strength is based on two languages and on two cultures which must blend and work side by side more than ever, so that the economic and cultural strength of our dear Canada can be proclaimed all over the world.

Our country believes in justice. It believes that the past is a guarantee for the future. The Conservative government strongly abides by these principles and has wanted to adopt them as its own. The government has served with devotion the cause of the citizens of the country, in keeping with the life of its peoples and of history. Its ideal is to strive ever more so that the light of freedom, which makes citizens happy, prosperous and productive, will shine throughout Canada.

Mr. Speaker, the year 1867 knew great men who were given the name of fathers of confederation. Today, close as we are to celebrating the centennial of that great event, the whole population of our country can be proud of its Prime Minister, one who because of his energetic action deserves the title of father of modern Canadianism.

(Text):

Mr. Speaker, the year 1867 knew great men who were given the name of fathers of confederation. Today, close as we are to celebrating the centennial of that great event, the whole population of our country can be proud of its Prime Minister, one who because of his energetic action deserves the title of father of modern Canadianism.

(Translation):

Mr. Speaker, it is a great honour to move, seconded by my colleague from Vancouver-Kingsway (Mr. Browne):

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

May it please Your Excellency:

We, Her Majesty's most loyal and dutiful 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. J. F. Browne (Vancouver-Kingsway): Mr. Speaker, it has always been considered a tribute to the people of a particular area when the Prime Minister chooses their representative in parliament to second the address in reply to the speech from the throne. I should like to thank the Prime Minister (Mr. Diefenbaker) for recognizing the people of Vancouver-Kingsway in this way and to say that I know of no time in our history when such a tribute would have been more appropriate. I think it can truly be said that the people of Vancouver-Kingsway are Canadians of average circumstance and it has, indeed, been to the welfare of the average Canadian that the Prime Minister has chiefly devoted himself.

Before I begin my remarks in connection with the speech from the throne I should like to extend my best wishes to all hon. members as we enter upon this new session and to congratulate all those who have received new appointments during the recess. This has already been very well done by the hon. member for Laval (Mr. Bourdages) and I am sure I do not need to refer to each of them individually because the warm applause which greeted their names when they were outlined by the hon. member for Laval indicated clearly the degree of approval felt by the house at these appointments all of which, I am sure, will prove to be very popular. It also gives me a great deal of satisfaction to have this first opportunity to congratulate the mover of the address (Mr. Bourdages) on the truly fine

speech he has just made. I know the people of his riding will be justly proud of him and will feel, as I do, that his remarks reflect very accurately the strong sense of national unity and the feeling of confidence in the future felt by Canadians generally in the leadership of the Prime Minister.

I wish to say something about this feeling of confidence because it is so important to us both as individuals and as a nation. I am sure we have all learned from experience that when we approach any job or any problem with the idea that we may not have the right solution or that things are not going to go very well we inevitably end in failure. This is just as true of a nation as it is of an individual and I raise the matter at this time not only because of the extreme importance I attach to it at any time but because of the unprecedented and unwarranted attempts on the part of some people in this country to promote feelings of pessimism and gloom. Not only is there no reason for such feelings but any such attempt is not in the best interests of this country. I know that those which preach gloom and despair are only sealing their own fate. However, these pessimistic utterances must be recognized for what they are and the best way to do that is to examine some of the outcries that have been raised and then to look at the facts.

I think we should first look back to some of the major problems which were facing us at the time of the last election. We should recall what was promised by the Prime Minister in relation to them, and consider where those problems stand now. The time has long passed when during the course of a single speech one could begin to recite all the accomplishments of the present administration because they are far too numerous. It is interesting to note, however, that notwithstanding the serious problems which were facing us at that time this government has succeeded in carrying out its election undertakings to a degree never before seen in this country. Mr. Peter C. Newman writing in *Maclean's* magazine of September 23, 1961, stated that 50 of the 62 specific promises made had already been carried out or were in the process of being discharged. Then there is the article in the *Executive* magazine of January, 1962 by Mr. John D. Harbron in which the author after outlining the major appeals to the electorate by the Prime Minister goes on to say: "all of which he was to keep". It is evident from independent reports such as these that with the fulfilment of the measures outlined in the present speech from the throne the government will not only have kept its promises but it will have gone far beyond them.

Now let us consider some of the specific problems. First, the question of trade. This is one of the fields in which attempts have been made to promote gloom and despair. There might have been some reason for gloom and despair in 1956. At that time we had a trade deficit amounting to $713 million. In other words we had an excess of imports over exports to that amount. We had a huge grain surplus which could not be disposed of, and markets were being lost throughout the world. Since the present government came to office our exports have increased steadily each and every year. Our grain surplus has been disposed of. We have strengthened our position in old markets and gained new ones. By the end of 1960 our trading deficit had been reduced to a small fraction of what it was in 1956, and for the first ten months of 1961, the latest figures which I have been able to obtain from the dominion bureau of statistics, we had a trading surplus of $52 million. There is every reason to believe that when the final figures are published we shall have had an excess of exports over imports for the first time since 1952.

Before I go any further, I should like to say something about the use of statistics in a speech such as this. I know that statistics are sometimes hard to follow and that sometimes they seem dull and uninteresting. For this reason I should like to say a few words to show how the improvement indicated by these statistics concerns the average man. Let us consider grain, for instance. In the first place, disposing of our surplus has helped the farmer in several ways. There have been cash returns from the sales. Moreover, the prospects for future sales have been improved, and because there is no longer a huge surplus prices have improved. Much of this grain, because of its ultimate destination, moved through the port of Vancouver, the largest grain shipping port in the world. It provided jobs for people in the transportation industry there. It provided jobs for grain handlers in Vancouver. It brought ships to the port of Vancouver, and this in turn provided business for our merchants and jobs for our people. It is not possible to follow through each of the statistics I intend to use in this way but I can assure hon. members that each of them is just as vital and alive as the example I have used.

This vast improvement was not brought about by pessimism. It was brought about by confidence and constructive action on the part of the government. It was brought about by such actions as bringing our trade commissioners home to meet with our businessmen and helping them to sell their products; by sending numerous trade missions

abroad; by our ministers getting out and selling grain to China, Poland, Czechoslovakia and other countries; by providing long needed credit facilities for exports. We now find a further expansion of these successful policies outlined in the present speech from the throne. We also saw the elimination of the premium on the Canadian dollar—a step which some people felt was in itself a solution to our trade problems—and we saw an improvement in the facilities of the industrial development bank in order that our businesses might expand more readily. The results obtained from these policies have shown clearly and conclusively that the policies of the government were correct and that the criticism and pessimism of the opposition was wrong and unjustified.

Closely related to the general field of trade is our relationship to the other members of the commonwealth not only with regard to trade specifically but in connection with other matters. It will be recalled that when this government took office our trading relationship with the commonwealth was not in a satisfactory condition. Shortly after taking office the Prime Minister was instrumental in bringing about a commonwealth trade and economic conference just as he had promised he would during the election campaign. Since that time our trade with commonwealth countries has increased by 19 per cent. It is little wonder, then, that the government should have expressed concern, just as other commonwealth governments have expressed their concern, when there arose the possibility of these gains being upset by the decision of the United Kingdom government to begin negotiations with a view to joining the European common market. Naturally, no one disputes the right of the United Kingdom to join or not to join the European common market. That is their decision and their decision alone. By the same token we have a responsibility to protect Canadian interests and safeguard the interest of the commonwealth. By expressing our views we have accomplished two things. First, Prime Minister Macmillan has stated that if the United Kingdom does enter the common market, commonwealth interests will be protected. Naturally, we rely on that statement. Second, the commonwealth governments by making their views known have brought clearly to the attention of the six nations of the common market the difficult problem with which the United Kingdom is faced and this will strengthen the ability of the United Kingdom government to protect commonwealth interests during the negotiations.

In the light of these facts I can only describe as fantastic the position taken by the Leader of the Opposition (Mr. Pearson) that expressing our views was squealing before we were hurt. This is the same type of unjustified criticism used by the opposition in the field of general trade and will prove once again the policy of the government to be right and the pessimism of the opposition to be wrong.

Another closely related problem is that of domestic trade and the position of the proprietors of small businesses. In this field the government has been extremely active in assisting this part of our economy and has brought before parliament approximately fifty measures designed to stimulate business in Canada. Among them were the setting up of the small business branch of the Department of Trade and Commerce, the reduction in taxation and the making available of loans up to $25,000 on a long term basis, all of which had been needed for many years.

Once again we see the government not content with all that it had done. It has brought before this session of parliament, as foreshadowed in the speech from the throne, an extension of these measures which have already proven successful. I have the utmost confidence that these measures will prove to be just as effective as those already implemented.

Dominion-provincial relations is another of those fields which needed attention by the federal government. When the present government took office the financial arrangement was governed by the Federal-Provincial Tax-Sharing Arrangements Act of April 1, 1957. The provincial governments were not satisfied with this arrangement even though its terms were binding upon them until March 31, 1962.

The present administration called a conference to discuss the matter in November, 1957 and following that conference, although they were under no obligation to do so, they increased the provincial share of the yield from personal income tax from 10 per cent to 13 per cent. They also initiated the Atlantic provinces adjustment grants, providing a total of $100 million over a four year period, again without any obligation to do so but because it is the policy of this government to provide equality of opportunity to all Canadians.

In the over-all picture there are two types of grants which the federal government makes to each of the ten provinces. First are the unconditional payments such as statutory subsidies, tax abatements and things of that nature. In 1956-57 these amounted to $552.6 million dollars. In 1961-62 they are estimated at $876 million. Then there are conditional grants which include such matters as health, hospital insurance, welfare, vocational training, highways and transportation, resources development and many others. In 1956-57

they amounted to $111 million. In 1961-62 they are estimated at $550 million or five times as much.

The total of all payments to the provinces in 1956-57 was $689 million. In 1961-62 they are estimated at $1,470 million. In other words they have more than doubled since the present government came into office.

But the startling thing about these figures, Mr. Speaker, is that notwithstanding the vast increase in payments to the provinces by the federal government, the average Canadian pays a lower rate of income tax to the federal government than he did when this government came into office. When one takes that in consideration, I am sure all will agree that I was not unjustified in stating at the outset of my remarks that the Prime Minister (Mr. Diefenbaker) had devoted himself to the welfare of the average Canadian.

Hon. members will recall that at the last session I placed on the record of *Hansard* copies of the actual income tax forms for 1956 and 1959. These documents showed quite clearly that the average Canadian was indeed paying a lower rate of tax.

Mr. Martin (Essex East): That is not accurate.

Mr. Browne (Vancouver-Kingsway): The documents are on the record of *Hansard* and will speak for themselves a lot more accurately than the—

Mr. Fulton: Martin bureau of statistics.

Mr. Browne (Vancouver-Kingsway): They will speak a lot more accurately than the hon. member for Essex East.

In considering the welfare of the average Canadian it must be recognized that the most important thing is that he has to be in a position to obtain gainful employment in order to provide security and happiness for his family. Indeed the greatest threat to the peace of mind and security of the average man throughout the world has been recurring periods of unemployment. It is in trying to ensure the opportunity of employment for all of our people that the government has made its most strenuous efforts.

Limitations of time will not permit me to recite all of the vast array of measures taken by the government in this field. I can honestly say, however, that in my opinion its efforts in this regard have far exceeded those of any previous government in our history. It is unfortunately a problem which short term measures alone cannot entirely cure although the government's actions have considerably improved the situation. The government has, of course, long since commenced a number of long term measures the results of which will become increasingly apparent.

During the last five years the total Canadian labour force has grown almost twice as fast as in the preceding five years making it necessary to create a tremendous number of new jobs. At the same time technological improvements have made it necessary for those in the labour force to have a far higher degree of education and skill than has been the case in the past.

As a result of a survey of the dominion bureau of statistics it was shown that almost half of those without jobs were young single persons between the ages of 14 and 19 most of whom needed further training in order to find suitable employment. Further training is also required by many of those in the older age groups also because their jobs have been made obsolete by rapid technical change.

Education has, of course, always been a responsibility of the provincial governments. The federal government, however, recognizing the urgency and the immensity of the problem, has stepped in to help solve it as soon as possible without infringing in any way on provincial rights, by paying to the provinces 75 per cent of the cost of building new vocational and technical training schools and 50 per cent of the cost of operating them after construction. This will be of tremendous assistance in fitting people for jobs particularly among the younger people who, as I have pointed out, need it so urgently. For those older workers who are unemployed and need retraining because of changing conditions the government pays 75 per cent of the cost.

For those who have unfortunately been unemployed the government has made substantial increases in benefits available under the Unemployment Insurance Act, both in regular and seasonal benefits. Not only have the amounts been increased but also the maximum period during which benefits may be drawn was increased from 36 to 52 weeks. The formula under which benefits may be drawn has also been made considerably easier.

Then, too, the government has set up a commission to inquire into the Unemployment Insurance Act. It is my hope that they will recommend changes which will provide a greater measure of security for the workingman and I have forwarded to them my own suggestions in this regard.

We have contained in the speech from the throne which is now before us an outline of the steps that will be taken by the government. This is a genuine indication that the government does intend to implement the measures that are necessary to protect the interests of the working people until such time as this commission can report and its recommendations be implemented.

While unemployment has proven to be a long lived and difficult problem, we should not lose sight of the fact that more Canadians are working than ever before, and that labour income in total has risen very substantially as have average weekly wages.

In 1956 the average Canadian workman earned $69.44 per week, and in 1960, the last year for which complete figures are available, he earned $75.83 per week or a gain of 17.1 per cent.

The cost of living during the same period rose by 8.3 per cent and, as I have previously pointed out, income tax rates have declined for the average Canadian, so that a substantial improvement in our standard of living has been achieved during this period of time.

In providing for the general welfare the government has also passed a number of measures to assist people in special circumstances. Since the present administration came into office we have seen hospital insurance brought into being on a national scale. Hospital construction grants have been increased and a fund set up to aid in research on children's diseases. Pensions for blind persons and for disabled persons have been increased. Old age assistance payments and unemployment assistance payments have been increased. And, once again, in the present throne speech, we have heard announced further increases proposed in these fields.

To encourage amateur athletics and to improve physical fitness an annual amount of $5 million has also been made available.

Old age pensions were increased from $46 to $55 per month and again in the present speech from the throne we have further increases announced. Residence requirements were reduced from 20 years to 10 years and for the first time pensioners who meet the necessary residence requirements can travel to any part of the world for an unlimited length of time and still draw their pensions. Then too, the commission of inquiry was set up to make recommendations on how to implement a contributory system of social security over and above what we already have. This has led to the present announcement in the speech from the throne of the government's intention to seek those constitutional amendments which are necessary to bring such a scheme into being.

It is perhaps in the field of veterans affairs that the greatest improvements of all have been made. Veterans pensions and payments under the War Veterans Allowance Act were increased by substantial amounts in both 1957 and 1961. There have, of course, been many other improvements to these acts such as the easing of the eligibility requirements, the raising of total allowable income and others. Unfortunately time does not permit me to deal with them in detail. However, I should like to give you just one or two examples of what this increase has meant to veterans. A married 100 per cent disability pensioner with two children now receives $287 per month. The comparable rate in effect five years ago was $144. When hon. members of this house stop to consider what this means to one of our veterans who served his country so faithfully, they will realize that he is now receiving in this instance double what he was receiving five years ago. I am sure that we sometimes do not stop to consider what vast improvements have been made in the last few years in this regard. In the case of a married veteran on war veterans allowance, the monthly payment prior to 1957 was $108 per month. It has now risen to $144 per month. The Veterans Land Act and many other pieces of veterans legislation have also been substantially improved. Then in the present speech from the throne we have placed before us further improvements in that regard. If any proof were needed of the sincere concern of this government for the welfare of the average person in this country, their actions in this field alone would provide it.

As I said at the outset of my remarks, Mr. Speaker, it is not possible during the course of one speech to deal with more than a small portion of the outstanding record of the government and its plans for the future. Before this debate is concluded, however, I am sure that my colleagues will have brought every aspect clearly before this house and the Canadian people.

In summing up, Mr. Speaker, may I say this. It is quite clear that there is no cause for pessimism in this country. Our world trade which is so important to us is at an all-time high, and by the very nature of the problems which it has overcome during the past four years the government has proved that it has the necessary energy and ability to overcome those which will face us in the future.

More Canadians are working and are earning more than at any other time in our history. While we are still faced with unemployment the improvements already made have been heartening and there is every prospect that, when the full benefit of the long term legislation already enacted by the government is felt, we shall be in a position to provide full employment for all our people. Our standard of living is at an all-time high. More has been accomplished in the field of social justice from the period of June, 1957, to the present time than at any previous time in our history.

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): That is wholly inaccurate.

Mr. Browne (Vancouver-Kingsway): By any analysis of the government's record there is no cause for fear now or in the future. By any analysis of our economy and its future prospects there is no cause for pessimism. By any analysis whatever there is every reason for all Canadians to move forward to a greater and brighter future under the brilliant leadership of the Right Hon. John G. Diefenbaker, one of the world's outstanding leaders.

On motion of Mr. Pearson the debate was adjourned.

On motion of Mr. Diefenbaker the house adjourned at 4.28 p.m.

HOUSE OF COMMONS

Monday, January 22, 1962

The house met at 2.30 p.m.

FINANCE

TEXTILES—TABLING OF FURTHER TARIFF BOARD REPORTS ON REFERENCE NO. 125

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I wish to table copies in English and in French of two reports, the ninth and tenth, relating to reference No. 125 on textiles, which I received from the chairman of the tariff board while the house was in recess. These are the final reports pursuant to reference No. 125 and complete the board's review under this reference. I am also tabling transcripts of the evidence presented to the tariff board at its public hearings.

The ninth report covers batts and batting and coated or impregnated fabrics. It was released to the public on November 3, 1961. The tenth and final report which deals with hats, caps and related products was released on November 14, 1961.

SWEEPSTAKES

LEGISLATION TO ESTABLISH HOSPITAL SWEEPSTAKES BOARD

Mr. J. F. Browne (Vancouver-Kingsway) moved for leave to introduce Bill No. C-2, to provide for the establishment of a hospital sweepstakes board.

Motion agreed to and bill read the first time.

COASTAL FISHERIES PROTECTION ACT

PROVISION FOR EXTENSION OF FISHING ZONE

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. C-3, to amend the Coastal Fisheries Protection Act (twelve mile fishing zone).

Motion agreed to and bill read the first time.

BILL OF RIGHTS

AMENDMENT RESPECTING NATURALIZED CANADIAN CITIZENS

Hon. J. W. Pickersgill (Bonavista-Twillingate) moved for leave to introduce Bill No. C-4, to amend the Canadian Bill of Rights.

Some hon. Members: Explain.

Mr. Pickersgill: The purpose of this bill, Mr. Speaker, is to end a very real discrimination which exists in the laws of Canada at the present time, and to remove the possibility of having the citizenship of any Canadian citizen taken away. It is the same bill as I introduced at the last session and arises out of a particular case, a very worthy case, that had come to my notice.

Motion agreed to and bill read the first time.

INDUSTRIAL RELATIONS

AMENDMENTS REVISING MEDIATION AND CONCILIATION PROCESSES, ETC.

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. C-5, to amend the Industrial Relations and Disputes Investigation Act.

Motion agreed to and bill read the first time.

APPLICATION OF COLLECTIVE BARGAINING TO CROWN AND EMPLOYEES

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. C-11, to amend the Industrial Relations and Disputes Investigation Act (application to civil service).

Mr. Pickersgill: Explain.

Mr. Howard: Mr. Speaker, the bill seeks to apply the Industrial Relations and Disputes Investigation Act to Her Majesty, and consequently to the civil service of Canada, except those provisions relating to strikes and/or lockouts, and provides a system whereby the report of what would be known as a conciliation board would be presented to parliament in sufficient time for parliament to deal with it prior to the next budget.

Motion agreed to and bill read the first time.

INTEREST ACT

AMENDMENT RESPECTING CHARGES ON CREDIT DEBT

Mr. E. Nasserden (Rosthern) moved for leave to introduce Bill No. C-6, to amend the Interest Act (finance charges).

Some hon. Members: Explain.

Mr. Nasserden: The purpose of this bill, Mr. Speaker, is to make mandatory the giving of information regarding the amount of

charges on a credit debt and also the proportion of such debt which that constitutes per annum.

Motion agreed to and bill read the first time.

AMENDMENT TO PLACE CEILING ON INTEREST RATES

Mr. Hazen Argue (Assiniboia) moved for leave to introduce Bill No. C-8, to amend the Interest Act.

Motion agreed to and bill read the first time.

RAILWAY ACT

AMENDMENT RESPECTING MAINTENANCE OF ABANDONED LINES

Mr. W. H. A. Thomas (Middlesex West) moved for leave to introduce Bill No. C-7, to amend the Railway Act (abandonment).

Motion agreed to and bill read the first time.

PROVISION FOR APPLICATION BY TRUCKERS TO TRANSPORT BOARD ON COMPETITIVE RATES

Mr. J. F. Browne (Vancouver-Kingsway) moved for leave to introduce Bill No. C-9, to amend the Railway Act.

Mr. Benidickson: Explain.

Mr. Pickersgill: Explain.

Mr. Browne (Vancouver-Kingsway): Mr. Speaker, the purpose of this amendment is to provide that representatives of the trucking industry shall have the right to make application to the board of transport commissioners for disallowance of a competitive rate when they consider that such rate has subjected motor vehicle operators to undue or unreasonable prejudice or disadvantage.

Motion agreed to and bill read the first time.

FINANCIAL ADMINISTRATION ACT

AMENDMENT TO PROVIDE FOR PRINTING OF NEGOTIABLE INSTRUMENTS IN BOTH ENGLISH AND FRENCH

Mr. Speaker: By unanimous consent of the house a bill may be introduced by another member at the request of the member in whose name it stands. Has the hon. member for Cochrane (Mr. Habel) unanimous consent to introduce this bill?

Some hon. Members: Agreed.

Mr. J. A. Habel (for Mr. Boulanger) moved for leave to introduce Bill No. C-10, to amend the Financial Administration Act.

[Mr. Nasserden.]

Some hon. Members: Explain.

(Translation):

Mr. Habel: Mr. Speaker, I must say that this bill is exactly the same as the one introduced last year. Its purpose is to enact that all documents referred to therein be printed in both languages.

(Text):

Motion agreed to and bill read the first time.

CRIMINAL CODE

AMENDMENT TO ABOLISH CAPITAL PUNISHMENT EXCEPT FOR TREASON

Mr. Frank McGee (York-Scarborough) moved for leave to introduce Bill No. C-12, to amend the Criminal Code (capital punishment).

Mr. Pickersgill: Explain.

Mr. McGee: The purpose of this bill is precisely the purpose of the similar bill which was introduced in the last session.

Motion agreed to and bill read the first time.

AMENDMENT WITH RESPECT TO WATER POLLUTION

Mr. H. W. Herridge (Kootenay West) moved for leave to introduce Bill No. C-13, to amend the Criminal Code (nuisance).

Some hon. Members: Explain.

Mr. Herridge: The purpose of this bill is to give effect to certain proposals eloquently advanced by the Prime Minister when he was a member of the official opposition for the effective control of pollution in interprovincial rivers.

Motion agreed to and bill read the first time.

AMENDMENT TO ABOLISH IMPOSITION OF CORPORAL PUNISHMENT

Mr. Frank McGee (York-Scarborough) moved for leave to introduce Bill No. C-22, to amend the Criminal Code (corporal punishment).

Motion agreed to and bill read the first time.

AMENDMENT RESPECTING USE OF TRADING STAMPS

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. C-24, to amend the Criminal Code (trading stamps).

Motion agreed to and bill read the first time.

Proposed Legislation

REPRESENTATION ACT

AMENDMENT TO INCREASE ELECTORAL DISTRICTS IN NORTHWEST TERRITORIES

Mr. Erik Nielsen (Yukon) moved for leave to introduce Bill No. C-14, to amend the Representation Act.

Motion agreed to and bill read the first time.

CANADA GRAIN ACT

REVISION OF GRADES RESPECTING RAPESEED AND MUSTARD SEED

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale) moved for leave to introduce Bill No. C-15, to amend the Canada Grain Act (rapeseed and mustard seed).

Mr. McIlraith: Explain.

Mr. Rapp: The purpose of this bill is the same as the purpose of the measure I introduced at a previous session. The act requires a provision for new grading to bring it up to the standard that is needed by our exporters and by buyers in foreign countries.

Motion agreed to and bill read the first time.

CANADA ELECTIONS ACT

AMENDMENT TO REDUCE AGE OF VOTERS

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. C-16, to amend the Canada Elections Act (age of voters).

Mr. Benidickson: Explain.

Mr. Howard: This bill merely seeks to allow electors to vote in Canada at the age of 18 as compared with the age of 21.

Motion agreed to and bill read the first time.

PROVISION FOR DISTRIBUTION OF NAMES OF CANDIDATES

Mr. Frank McGee (York-Scarborough) moved for leave to introduce Bill No. C-34, to amend the Canada Elections Act (campaign contributions).

Mr. Pickersgill: Explain.

Mr. McGee: Mr. Speaker, the specific purpose of this bill is to require the returning officer in each constituency to place in the hands of the electors immediately following the nomination of the candidates, the names of the candidates, the names and addresses of their official agents, in order to encourage campaign contributions on a broader and more democratic basis.

Motion agreed to and bill read the first time.

HOUSE OF COMMONS ACT

AMENDMENTS RESPECTING INTERNAL ECONOMY COMMISSION

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. C-17, to amend the House of Commons Act (internal economy autonomy).

Mr. McIlraith: Explain.

Mr. Howard: The commissioners of internal economy are, apparently, appointed by virtue of the provision of section 16 of the House of Commons Act which provides that there shall be four members of the cabinet plus yourself, Mr. Speaker, to deal with expenditures of money relating to the House of Commons. I understand that this system was originally designed at the time of confederation because of the difficulty of transportation over the distances which many members had to travel in order to get to Ottawa. It was presumably felt that members of the cabinet, who were likely to have their homes in Ottawa, could attend to this work more conveniently.

However, the situation at the moment is that the cabinet itself, by virtue of its majority of four to one compared with Your Honour, has control over monetary and financial matters affecting the House of Commons and it would seem to me that this is not a desirable thing. The bill seeks to remove those provisions in order that the commissioners of internal economy might be selected by the house itself.

Motion agreed to and bill read the first time.

AMENDMENT RESPECTING HOLDING OF BY-ELECTIONS

Hon. J. W. Pickersgill (Bonavista-Twillingate) moved for leave to introduce Bill No. C-20, to amend the House of Commons Act (election writs for by-elections).

Some hon. Members: Explain.

Mr. Pickersgill: The purpose of this bill is to uphold the rights of parliament and the electorate by laying down definite prescriptions so that by-elections for vacancies in this house will be held within a reasonable period of time.

Motion agreed to and bill read the first time.

FINANCE

PROVISION FOR PRINTING OF NEGOTIABLE INSTRUMENTS IN ENGLISH AND FRENCH

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm) moved for leave to introduce Bill

No. C-18, respecting the printing of negotiable instruments in the English and the French languages.

Motion agreed to and bill read the first time.

SMALL LOANS ACT

AMENDMENT TO REDUCE MAXIMUM INTEREST RATE

Mr. Hazen Argue (Assiniboia) moved for leave to introduce Bill No. C-19, to amend the Small Loans Act.

Some hon. Members: Explain.

Mr. Argue: The purpose of this bill is to reduce the maximum interest rate on small loans from 2 per cent per month to 1 per cent per month.

Motion agreed to and bill read the first time.

AMENDMENT REQUIRING STATEMENT OF TRUE INTEREST RATE CHARGED

Mr. Hazen Argue (Assiniboia) moved for leave to introduce Bill No. C-23, to amend the Small Loans Act (advertising).

Some hon. Members: Explain.

Mr. Argue: The purpose of this bill is to make it a provision in the law that the simple interest shall be stated in advertisements in connection with small loans.

Motion agreed to and bill read the first time.

PENSION ACT

AMENDMENT PROVIDING FOR APPEAL TO COURTS

Mr. Jack McIntosh (Swift Current-Maple Creek) moved for leave to introduce Bill No. C-21, to amend the Pension Act (judicial appeal).

Some hon. Members: Explain.

Mr. McIntosh: In brief, the purpose of this bill is to provide that an applicant who has had an unfavourable decision from the commission may appeal to the courts of Canada.

Motion agreed to and bill read the first time.

CANADIAN SOVEREIGNTY

PROVISION FOR NATIONAL FLAG, ANTHEM AND INDEPENDENCE DAY

Mr. Speaker: I am informed that the hon. member for Sherbrooke (Mr. Allard), who is unavoidably absent, has requested the hon. member for Richmond-Wolfe (Mr. Dubois) to introduce this bill for him, which he may do by unanimous consent of the house. Is it agreed that he may do so?

[Mr. Pigeon.]

Some hon. Members: Agreed.

Mr. V. F. Dubois (for Mr. Allard) moved for leave to introduce Bill No. C-25, respecting the sovereignty of Canada.

(Translation):

Mr. Pickersgill: Explain.

Mr. Dubois: Mr. Speaker, the purpose of this bill is to give recognition to the sovereignty of Canada by having a holiday called Sovereignty Day and to adopt a distinctive national anthem and national flag.

(Text):

Motion agreed to and bill read the first time.

INDIAN ACT

AMENDMENT RESPECTING POSSESSION AND CONSUMPTION OF INTOXICANTS

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. C-26, to amend the Indian Act (liquor rights).

Mr. Pickersgill: Explain.

Mr. Howard: This bill, Mr. Speaker, seeks to place native Indians on the same footing and with the same rights and responsibilities with relation to liquor as everyone else in the nation. It provides further that the right to be in possession of liquor on an Indian reserve shall be the subject of a plebiscite of the members of the particular band.

Motion agreed to and bill read the first time.

BANKRUPTCY ACT

AMENDMENT RESPECTING WAGE EARNERS' ASSIGNMENTS

Mr. Hazen Argue (Assiniboia) moved for leave to introduce Bill No. C-27, to amend the Bankruptcy Act (wage earners' assignments).

Mr. Benidickson: Explain.

Mr. Argue: This bill provides that, where an individual has credit obligations which he is unable to meet at the moment, procedures may be applied for the regular retirement of those obligations, which procedures would protect the individual from unconscionable and unnecessary repossession of his chattels.

Motion agreed to and bill read the first time.

BRITISH NORTH AMERICA ACT

AMENDMENT RESPECTING SENATE REPRESENTATION

Mr. Erik Nielsen (Yukon) moved for leave to introduce Bill No. C-28, to amend the British North America Acts, 1867 to 1960, with respect to representation in the Senate.

Some hon. Members: Explain.

Mr. Nielsen: Mr. Speaker, the purpose of this bill is to take a step toward curing a most unsatisfactory and frustrating situation that exists in the other place at the present moment.

Motion agreed to and bill read the first time.

CANADA FAIR EMPLOYMENT PRACTICES ACT

AMENDMENT TO PROHIBIT DISCRIMINATION BECAUSE OF AGE

Mr. Frank Howard (Skeena) moved for leave to introduce Bill No. C-29, to amend the Canada Fair Employment Practices Act (age discrimination).

Motion agreed to and bill read the first time.

LOTTERY

PROVISION FOR ESTABLISHMENT OF CANADIAN LOTTERY COMMISSION

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm) moved for leave to introduce Bill No. C-30, to provide for a Canadian lottery. *(Translation):*

Mr. Pickersgill: Explain.

Mr. Pigeon: Mr. Speaker, the purpose of this bill is to provide for the establishment of a Canadian lottery, the proceeds of which would be used to increase family allowances. *(Text):*

Motion agreed to and bill read the first time.

FLAGS OF CANADA

MEASURE TO PROVIDE FOR NATIONAL FLAG OF CANADA

Mr. Speaker: Has the hon. member, who states that he has authorization to present this bill for the hon. member for Drummond-Arthabaska (Mr. Boulanger), leave of the house to do so.

Some hon. Members: Agreed.

Mr. J. P. Deschatelets (for Mr. Boulanger) moved for leave to introduce Bill No. C-31, respecting flags of Canada.

Motion agreed to and bill read the first time.

BROADCASTING ACT

ISSUE OF LICENCES SUBJECT TO COMPLIANCE WITH BILL OF RIGHTS

Mr. H. W. Herridge (Kootenay West) moved for leave to introduce Bill No. C-32, to amend the Broadcasting Act (human rights abuses remedied).

Some hon. Members: Explain.

Proposed Legislation

Mr. Herridge: Mr. Speaker, the purpose of this bill is to protect legitimate free enterprise against the monopolistic instincts and practices of publishers who own radio stations.

Motion agreed to and bill read the first time.

NATIONAL ENERGY BOARD ACT

APPLICATION OF PROVINCIAL DRAINAGE LAWS TO PIPE LINES

Mr. W. H. A. Thomas (Middlesex West) moved for leave to introduce Bill No. C-33, to amend the National Energy Board Act (drainage works).

Some hon. Members: Explain.

Mr. Thomas: Mr. Speaker, the purpose of this bill is the same as that of a bill introduced at the last session. The purpose is to make pipe lines operating under federal charter subject to provincial drainage laws in the same way as pipe lines operating under provincial charter.

Motion agreed to and bill read the first time.

AERONAUTICS ACT

AMENDMENT TO PROVIDE CANADIAN AIRCRAFT REGISTRY

Mr. John Drysdale (Burnaby-Richmond) moved for leave to introduce Bill No. C-35, to amend the Aeronautics Act.

Mr. Pickersgill: Explain.

Mr. Drysdale: I should like to thank the hon. member for Bonavista-Twillingate for his avid interest in this matter, and I hope he will support the bill when it comes forward. The purpose of this bill is to provide a central Canadian aircraft registry in order to record the title to and all encumbrances against Canadian civil aircraft. Provision is made for registration according to nationality in order to comply with the provisions of the convention on the international recognition of rights in aircraft. By providing a central aircraft registry according to nationality, Canada can then become a signatory to that convention.

Motion agreed to and bill read the first time.

WAR SERVICE GRANTS ACT

AMENDMENT TO EXTEND TIME FOR RE-ESTABLISHMENT CREDIT

Hon. Gordon Churchill (Minister of Veterans Affairs) moved for leave to introduce Bill No. C-36, to amend the War Service Grants Act.

Proposed Legislation

Mr. Pickersgill: Explain.

Mr. Churchill: The purpose of the amendment is to extend that date through which the War Service Grants Act will be in operation.

Motion agreed to and bill read the first time.

VETERANS INSURANCE ACT

AMENDMENT RESPECTING EXTENSION OF TIME FOR INSURANCE CONTRACTS

Hon. Gordon Churchill (Minister of Veterans Affairs) moved for leave to introduce Bill No. C-37, to amend the Veterans Insurance Act.

Mr. Benidickson: Explain.

Mr. Churchill: This explanation is similar; the amendment will extend the termination of the act.

Motion agreed to and bill read the first time.

CORPORATIONS AND LABOUR UNIONS

PROVISION FOR FURNISHING OF FINANCIAL AND OTHER STATISTICS

Hon. E. D. Fulton (Minister of Justice) moved for leave to introduce Bill No. C-38, to provide for the reporting of financial and other statistics relating to the affairs of corporations and labour unions carrying on activities in Canada.

Motion agreed to and bill read the first time.

MERCHANT SEAMEN COMPENSATION ACT

AMENDMENTS RESPECTING PAYMENTS FOR ORPHANS OF SEAMEN

Mr. C. W. Carter (Burin-Burgeo) moved for leave to introduce Bill No. C-39, to amend the Merchant Seamen Compensation Act.

Mr. Fulton: Explain.

Mr. Carter: The purpose of this bill is to enable an orphan to live in the home of his guardian or foster parent and still retain eligibility for full benefits under the act.

Motion agreed to and bill read the first time.

CIVILIAN WAR PENSIONS

AMENDMENTS EXTENDING PAYMENTS TO CERTAIN GROUPS

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

That it is expedient to introduce a measure to amend the Civilian War Pensions and Allowances Act to permit the payment of allowances, similar to those provided for veterans and their dependents under the War Veterans Allowance Act, 1952, to surviving former members and to certain dependants of deceased members of a number of civilian groups of Canadians who made outstanding voluntary contributions to the war effort during World War I and World War II under difficult and dangerous conditions.

Motion agreed to.

CHILDREN OF WAR DEAD ACT

AMENDMENTS PROVIDING FOR EXTENSION OF BENEFITS, ETC.

Hon. Gordon Churchill (Minister of Veterans Affairs) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency.

That it is expedient to introduce a measure to amend the Children of War Dead (Education Assistance) Act to clarify the definition of "student"; to extend the benefits under the act to certain classes of children; to extend in certain cases the education-assistance period; to extend in the case of particular students the age limit at which all benefits will cease; to accept a student for assistance under the act where his education has been interrupted by ill health or other good cause; and to increase the rate of allowances.

Motion agreed to.

FARM IMPROVEMENT LOANS ACT

AMENDMENTS TO GUARANTEE LOANS, ESTABLISH LIMITS, ETC.

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

That it is expedient to introduce a measure to amend the Farm Improvement Loans Act to provide for the making of guaranteed loans during the period July 1st, 1962 to June 30th, 1965, and to establish four hundred million dollars as the limit of guaranteed loans that may be made during the new loan period.

Motion agreed to.

FISHERIES IMPROVEMENT LOANS ACT

MEASURE TO EXTEND PERIOD OF GUARANTEE ON LOANS

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

That it is expedient to introduce a measure to amend the Fisheries Improvement Loans Act to extend the period during which guaranteed loans may be made to the 30th day of June, 1965.

Motion agreed to.

COPYRIGHTS

APPROVAL OF GENEVA CONVENTION, 1952

On the order: Government notices of motion:

In committee of the whole—The following proposed resolution:—

That it is expedient that the Houses of Parliament approve the universal copyright convention signed by Canada in Geneva in 1952 and protocol 3 thereto, and that this house do approve the same.

Mr. Speaker: The next item in the name of the Secretary of State appears to have a typographical error in that the words "in committee of the whole" are inserted before the resolution. Would the Secretary of State wish the leave of the house to have these words struck out and proceed with the matter now?

Hon. Noel Dorion (Secretary of State): Yes.

Mr. Speaker: Is it agreed that the words "in committee of the whole", may be deleted from this item?

Some hon. Members: Agreed.

Mr. Speaker: Pursuant to section 2 of standing order 21 this government notice of motion stands transferred to and ordered for consideration under government orders at the next sitting of the house.

EXTERNAL AFFAIRS

NEW GUINEA—INQUIRY AS TO DISPUTE BETWEEN NETHERLANDS AND INDONESIA

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Secretary of State for External Affairs if he can make any report to the house on the dangerous dispute between the Netherlands and Indonesia in regard to part of New Guinea, and whether he thinks there is a reasonable chance of successful mediation of this dangerous dispute?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I agree with the Leader of the Opposition that this is a very dangerous situation. We have been pressing for negotiations, as various other countries have. At the moment I am not able to say whether or not there will be such negotiations, but I think the longer action is delayed the more chance there is of something being worked out to settle this dispute.

UNITED NATIONS

UNESCO—INQUIRY AS TO REQUEST FOR CANADIAN ASSISTANCE

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I wish to direct a question to the Secretary of State for External Affairs. I am sorry I have not been able to give notice of the question. In view of the excellent position in which Canada is to assist United Nations organizations by providing personnel for purposes of education in French speaking Africa, is the minister in a position to make any comment on the request of UNESCO for assistance from Canada to the extent of $900,000?

Hon. Howard C. Green (Secretary of State for External Affairs): Our aid is channeled to other governments; there is an arrangement between Canada and the respective countries although some of it goes through the United Nations agencies. At the moment there has been no provision made for the payment of $900,000 through UNESCO.

I should mention that we do have many different types of assistance for countries in Africa, including the commonwealth scholarship plan, as well as the plan for aid to French speaking African countries, and there is the special commonwealth aid program for Africa under which we are paying $3.5 million per year. There are various plans of that type under which we give aid.

Mr. Argue: Could the minister say whether a request was made for this by the UNESCO organization and, if so, did Canada make a direct reply.

Mr. Green: I would have to check the files to find out if a request was made. In any event, there has been no provision made for payment of that amount.

TRANSPORT

P.E.I. CAUSEWAY—REQUEST FOR REPORT

On the orders of the day:

Mr. Maurice Bourget (Levis): I wish to direct a question to the Minister of Public Works. He will recall that on June 21 last he promised to furnish his report on the Northumberland causeway in the near future. Is the minister in a position to present that report now?

Hon. D. J. Walker (Minister of Public Works): Since that time many matters have intervened which make it impossible for me to reply to the question at this time.

Mr. Bourget: Can we expect the report to be presented to the house before the dissolution of this parliament?

Mr. Walker: If my hon. friend can tell me the date of dissolution I might be able to answer that question.

Mr. Pickersgill: May I ask the minister whether he is making the investigation personally?

Inquiries of the Ministry

Mr. Walker: That question does not beget a reply.

[*Later:*]

Mr. H. J. Robichaud (Gloucester): In view of the reply given to the hon. member for Levis that in effect the minister was not prepared to table a report on the subject of the Northumberland causeway, is he prepared to table a preliminary report on the same project which was made available to the Prime Minister prior to his visit to Charlottetown on December 6 last?

Mr. Walker: No, Mr. Speaker. There was no official report at that time.

IMMIGRATION

ALLEGED PAYMENTS BY GREEK AND ITALIAN IMMIGRANTS TO PRIVATE INDIVIDUALS

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Minister of Citizenship and Immigration. Can the minister inform the house as to the findings of her investigation into allegations that sums of money have been paid out by Greek immigrants to private individuals in order to secure their entry into Canada?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): I did not catch the first part of the question, Mr. Speaker, but I think the hon. member was asking whether an investigation was under way. If that is the gist of the question then the answer is yes.

Mr. Hellyer: My question was whether the minister will present her findings. Does she have anything to report?

Mrs. Fairclough: I am sorry. The investigation is still in progress.

Mr. Hellyer: Has the minister received complaints to the effect that entry of immigrants from Italy, who had previously been denied entry, had been expedited by payments to the Paragon travel agency in Toronto?

Mrs. Fairclough: I have no such report and if there is anything in my department it has not yet reached my desk.

Mr. Hellyer: Does the minister intend to seek the aid of the R.C.M.P. in the investigation?

Mrs. Fairclough: I would be glad to entertain any proposal the hon. gentleman cares to make in that regard if he will give us sufficient information to proceed.

[Mr. Pickersgill.]

FINANCE

TEXTILES—REQUEST FOR STATEMENT ON IMPORT QUOTAS

On the orders of the day:

Mr. E. A. Winkler (Grey-Bruce): I should like to ask the Minister of Finance whether he is in a position to inform the house whether any decision has been reached regarding current import quotas on textiles and other goods.

Hon. Donald M. Fleming (Minister of Finance): Negotiations looking toward agreement with respect to 1962 export quotas have been under way for some time with representatives of the Japanese government.

HOUSE OF COMMONS

REQUEST FOR APPOINTMENT OF ROYAL COMMISSION ON BILINGUALISM

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to ask a question of the Prime Minister. In view of the widespread interest and concern being expressed throughout the country with respect to the question of bilingualism in Canada would the Prime Minister consider appointing a royal commission to examine all aspects of the subject?

Right Hon. J. G. Diefenbaker (Prime Minister): No, Mr. Speaker.

OIL

INQUIRY AS TO VOLUNTARY QUOTA ON CRUDE EXPORTS TO U.S.

On the orders of the day:

Mr. Hubert Badanai (Fort William): I should like to ask the Minister of Trade and Commerce to inform the house whether representations have been made to the Canadian government to obtain a voluntary quota system with respect to the export of crude oil to the United States?

Hon. George H. Hees (Minister of Trade and Commerce): I am not aware of any such request from the United States administration.

INDIAN AFFAIRS

SARNIA, ONT.—CURRENT STATUS OF PROPERTY SALE

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to ask the Minister of Citizenship and Immigration whether there are any negotiations going on at the present time, to her knowledge, respecting the sale of the Sarnia reserve?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Although from time to time rumours reach my office, to my definite knowledge there is nothing at the moment.

POSTAL SERVICE

REPORTED FAILURE TO COLLECT MAIL

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, may I direct a question to the Postmaster General. Has the Postmaster General any comment to make in regard to the report in this morning's *Gazette* to the effect that 6,000 letters had been discovered lying for two weeks in a forgotten mail box?

Hon. W. M. Hamilton (Postmaster General): May I just say, Mr. Speaker, that when I heard the dulcet tones of the hon. member for St. Denis I knew the house was really back in session.

This was a case of mail boxes having been removed from streets during street repairs, when we could not reach them with our trucks. The contractor who was to clear the box was informed by the post office, and through an error in the contractor's organization the chauffeur who drove the truck was not properly informed and therefore the box was not cleared.

This was a considerable annoyance to myself and the Post Office Department. I might point out that we have between 7,000 and 8,000 of these boxes across Canada, each of them being cleared several times a day making a total of perhaps 40,000 clearances. The very fact that this instance has attracted so much attention is proof that our system of control is generally satisfactory and that this is a most exceptional case.

However, it has been my experience that mistakes occur less frequently when they are punished. Since this is clearly the responsibility of the mail contractor concerned, a substantial financial penalty is being levied against the contractor and we have directed him to take disciplinary action against those in his organization who were directly responsible.

As minister, I do not take a disinterested attitude toward failures in our service, nor condone errors when those errors represent carelessness. I think this attitude may in part be responsible for the steady decrease in the number of complaints from the public regarding our service over the last several years.

Mr. Denis: I wonder if the minister could ever find anything wrong in his department which is his responsibility?

Mr. Hees: Things are different since 1957.

LIVESTOCK

RABIES—COMPENSATION TO ONTARIO FARMERS FOR LOSS IN OUTBREAKS

On the orders of the day:

Mr. John Charlton (Parliamentary Secretary to the Minister of Agriculture): Mr. Speaker, last Friday I was asked a question by the hon. member for Grey-Bruce as to whether, due to the increased incidence of rabies in Grey and Bruce counties, as well as other sections of the country, the minister would say if his department would again co-operate in the payment of compensation to farmers for losses of livestock from this disease?

The answer is yes. The department is prepared to continue to reimburse provinces for up to two fifths of the amounts paid by the provinces to owners of animals that have died as a result of rabies.

BUSINESS OF THE HOUSE

B.N.A. ACT AMENDMENT—POSSIBLE INFRINGEMENT OF BILL OF RIGHTS

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): May I ask the Minister of Justice whether his department has scrutinized the bill which was introduced today to amend the British North America Act to see if it infringes the bill of rights?

Hon. E. D. Fulton (Minister of Justice): I should not expect they have examined it yet. As I recall the procedure worked out, private bills are examined after they are presented to the house. My hon. friend will recall certain difficulties on an occasion last year as a result of a device which was resorted to in that connection by one of his friends.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Friday, January 19, consideration of the motion of Mr. Rodrigue Bourdages for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, in rising to participate in this debate I want to follow the time honoured and good custom of congratulating the mover, the hon. member for Laval (Mr. Bourdages), and the seconder, the hon. member for Vancouver-Kingsway (Mr. Browne), of the address in reply.

They would not expect me to agree with all the things they said or the arguments they

brought forward but they undoubtedly discharged their task to the satisfaction of their colleagues, and I take it that was their chief objective in discharging this honourable responsibility. I should like also to congratulate them on the skill of their brick-building with the straw that was available to them.

I should also like to congratulate the hon. member who has been appointed Deputy Speaker of the house, and I do that in a very sincere way. I feel sure that he will discharge his important and honourable function with fairness, impartiality and intelligence—those qualities, Mr. Speaker, which you have exhibited to such a high degree in your occupancy of the chair.

I should like to congratulate my hon. friend from Quebec South (Mr. Flynn), on his elevation to the cabinet as Minister of Mines and Technical Surveys, and those other hon. members who have been made parliamentary secretaries or have been given other distinctions.

The Minister of Mines and Technical Surveys must have been highly flattered by all the publicity given to his appointment to the cabinet. Perhaps, however, his satisfaction in this regard may have been modified by the realization that the attention which was centred on Quebec at this particular time was not exclusively devoted, I feel sure, to his promotion. There is no doubt that more was expected than even this important promotion —especially by the press—because of officially inspired and officially sponsored speculation.

We have in Canada today a government and a Prime Minister (Mr. Diefenbaker) who seem to enjoy giving birth to speculations and then to destroy their own speculative infants. Hence, Mr. Speaker, the fiasco of the deluxe pilgrimage to Quebec with private cars, aeroplanes and attendant officials, and all the panoply of an expectant press which is so flattering to the ego of ministers. What a circus performance that turned out to be, with a result, I think it is fair to say, that could have been achieved quietly and inexpensively in Ottawa.

What did it all accomplish, in this time of difficulties, deficits and very serious problems? The verdict of one member of the press gallery in connection with the accomplishments of this trip—the parliamentary correspondent of the *Globe and Mail*—had this to say when writing on January 3 of this year. I quote from Mr. Walter Gray's column:

> The attendant publicity, and the Prime Minister's statements over press speculation—which the press maintains was originated by Mr. Diefenbaker himself—has left a cloud of foul air over parliament hill.

As it happened, this double-shuffle ended in a "no deal" and all the ministers sit—though perhaps somewhat less easily—on the same front benches who were there previously. It was merely another chapter in the record of a government which prefers agitation to administration, surface excitement to sober results.

The circumstances surrounding the distribution of the throne speech seem to have been part of the same pattern—

An hon. Member: Pessimism.

Mr. Pearson: I am thinking of the delay in giving it out to the press until it was actually produced in the other place, which provoked—

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, would the hon. gentleman allow a question?

Mr. Pearson: Yes, certainly.

Mr. Diefenbaker: The hon. member received a confidential copy in the usual way. Did he respect the confidentiality of that document, or did he make it available to others?

Mr. Pearson: Mr. Speaker, I received a copy of the speech around two o'clock in the afternoon on which it was delivered. It has been the custom to do that. I am grateful to the Prime Minister for that courtesy, although in earlier years I have received it a little earlier; but I am not complaining about that. I observed the appropriate security arrangements in regard to that speech.

I am now talking about the alteration of a custom to give advance copies to the press. The delay in doing so has, as perhaps it was meant to do, provoked some very startling rumours indeed.

Mr. Diefenbaker: Mr. Speaker, may I ask the hon. gentleman a simple question? Did the hon. gentleman deliver to anyone the confidential document that was handed to him?

Mr. Pearson: I acted with perfect propriety in this regard, something which it may be difficult for the Prime Minister always to understand. There was a reason for this delay. This is not an important matter in itself. The reason may have been a last minute excision of a paragraph; it may have been merely the fact that the government did not get around to taking action, or it may have been a way of showing some form of displeasure at the attitude of the press. But whatever the reason, the delay did cause a great deal of speculation and this was no doubt all part of the electoral war of nerves which is going on at the present time.

Mr. Diefenbaker: Does the hon. member remember that Mr. King did the same thing?

Mr. Pearson: Mr. Speaker, I should like the Prime Minister to exercise that patience which he normally shows in this House of Commons.

Mr. Diefenbaker: Mr. Speaker, may I ask the hon. gentleman a question?

Some hon. Members: Order.

Mr. Diefenbaker: Mr. Speaker, the hon. gentleman objects to what was done. Does the hon. gentleman remember that Mr. King did the same thing?

Mr. Pearson: Mr. Speaker, I am raising this matter because it is all part of the pattern of what I call the electoral war of nerves. So far, and this is perhaps what is worrying the Prime Minister, the government's assaults in this war of nerves have all been very easily repulsed and the only casualties so far have been the good name and the reputation of the government itself. The electoral battle, it will be recalled, was to have been joined last autumn over the issue of free enterprise versus socialism—an issue which, coming from this particular government, provoked only a yawn in the country. Then there was the sordid mess, provoked by the government, of the Coyne affair and the action of the other house in protecting successfully the right of an accused to be heard before the body which was being asked to condemn him by a bill of attainder.

Mr. Fleming (Eglinton): With the assistance of a Liberal advertising agency. Who paid them?

Mr. Speaker: Order. I think this time is as appropriate as any—in fact, it is more than appropriate—to remind the house that the member who has the floor is entitled to an uninterrupted hearing.

Mr. Pearson: Thank you, Mr. Speaker, but these interruptions do not really disturb me very much. The Minister of Finance (Mr. Fleming) seems also to be pulsating with excitement this afternoon.

We recall we were to have had an election on the Coyne and Senate issue, too, but the government soon backed away from that one in the face of an aroused and hostile public opinion.

Some hon. Members: Oh.

Mr. Pearson: Then there was to have been a quick dissolution of this house and a quick election on the massive program which was to have appeared in the speech from the throne. Well, we do not hear so much about that now. The evidence of declining popularity and especially the evidence of the five Ontario by-elections, two of which, in Toronto, were described by the Minister of Finance before they were held as a "miniature general election whose influence would be paramount" was enough to—

Mr. Fleming (Eglinton): No, no.

Mr. Pearson: Oh, I have got the statement here.

Mr. Fleming (Eglinton): I said they had been described as that.

Mr. Pearson: Anyway, this evidence of declining popularity has perhaps removed the impulse to have an election on a quick dissolution. So goes the war of nerves, leaving people more bored than shell shocked. When the election comes it will be on the record of this government.

Some hon. Members: Hear, hear.

Mr. Pearson: I am delighted to have said something which has won the unanimous approval of this house save for those hon. members in the corner to my right in the N.D.P.-C.C.F. group who did not express their views with regard to the statement I have just made.

I do not this afternoon intend to join in the speculation about the date of the election because that would involve trying to read the mind of the Prime Minister (Mr. Diefenbaker). That, of course, as I imagine even his colleagues have found out by now, is a fruitless occupation. The most discouraging prediction I have discovered about the election date comes from the Minister of Public Works (Mr. Walker). I am sorry he has to leave the house.

Mr. Walker: Right here.

Mr. Pearson: It was difficult to pick the hon. gentleman out among his more conspicuous colleagues.

Mr. Walker: Thank you.

Mr. Pearson: The most discouraging prediction came, as I said, from the Minister of Public Works. His prediction would put the election off until parliament was automatically dissolved in 1963 under the provisions of our constitution.

Some hon. Members: Hear, hear.

Mr. Pearson: I hear some applause for that, too, from nervous members from some parts of the country.

An hon. Member: All Liberals.

Mr. Pearson: The minister said in Nova Scotia last December that the delay in calling an election was due to the government's desire to fulfil all its promises before appealing to the people. That is a prediction which would mean an indefinite delay in setting an election date.

I can understand the desire of hon. gentlemen opposite to wait. Perhaps they are delaying for the same reason as inspired Right Hon. R. B. Bennett to put off his fate until the last moment in 1935. Of course, we must remember that the Prime Minister has always placed great faith in the healing virtues of delay, as in the camouflaging magic of confusion. We on this side believe that an election should be held—that the people of this country should be given a chance to express themselves at the earliest possible date. It should be an election with the full and detailed government program placed before the people, together with a detailed national accounting, so that they would know what has been going on in the country in recent years in order that the people can decide in the light of all the facts. The sooner that comes about in the conditions I have mentioned the better for Canada, though, of course, the worse for this government.

Let me say a few words about the speech from the throne itself. It is not a very ambitious document but I do not intend on this occasion to try to deal with all the references contained in it. My colleagues will deal with some of the proposals and some of the ideas, and I shall not attempt to cover the whole field today.

As far as international affairs are concerned there is nothing in the speech from the throne, except a few platitudinous sentences, to describe the sombre and, indeed, the dangerous situation which we face in the world. No ideas are put forward concerning ways in which we might meet these dangers and solve these problems except in a general and unimpressive way. There is no recognition of the fact that the menace of communist imperialism and colonialism is as great as ever—perhaps, in some respects, greater than ever. I think we are particularly conscious of that menace today as I speak on the forty fourth anniversary of the establishment of the independent republic of the Ukraine, the short lived and tragic history of which we all know. That history surely brings home to us that while overseas colonialism and imperialism of the older type is on the way out and has almost disappeared, the kind of colonialism which imperialistic communist powers impose by moving across adjacent borders to destroy ancient civilizations and subjugate their populations is stronger and more menacing than ever. It is not likely there will be real peace in the world—creative and constructive peace—until that type of colonialism is removed, too. I have no doubt that when the time comes we shall have a full debate on international affairs at which time we shall be able to examine why, among other things, Canada's influence in these matters has declined rather than increased in the last four or five years.

Mr. Green: That is a foolish statement.

Mr. Pearson: If it is a foolish statement, as is stated by the Secretary of State for External Affairs Mr. Green), may I say that it is being made by many objective observers of international matters today.

I am also very conscious of the fact that in dealing with the program in the speech from the throne I cannot be sure that I am dealing with the full government program or all the government proposals, owing to the fact that the Prime Minister has introduced into our constitution a new convention—and it is a very dubious one indeed—of making his own speech from the throne after the official one has been handed down and of including in that political speech of his own things which he thinks will perhaps get more credit for himself and for his party, as coming from him, than from any more exalted or objective source. He has done it more than once and for all I know he may be doing it today. That situation makes it difficult to introduce a debate on the speech from the throne when we do not know whether or not we have the full government program outlined in that speech.

However, as we have the program outlined in that speech, its declarations contain no call to national action; they make no challenge for a national response. They do not even seem to call for an early election.

On January 20 the *Globe and Mail*, a paper certainly not friendly to this party but traditionally very friendly indeed to the government, referred to the speech from the throne in an editorial entitled "An Uncertain Trumpet" as one with a "curiously thin and inadequate note". What an unhappy contrast, in content, inspiration and challenge, to President Kennedy's state of the union message a few days earlier.

One commentator has likened the program in it to a budget with the dollar sign thrown away completely, and this at a time when this year's budgetary deficit is likely to be $700 million or more, when our cash deficit is likely to be well over $1 billion and when we are told by the government that this is a time of expansion and moving forward. If the dollar sign is to be thrown away completely, as this prediction has it, I wonder whether the cheque writing machines are now ready for overtime work.

In this connection, Mr. Speaker, we recall the words of the Minister of Agriculture (Mr. Hamilton). I am sorry that he is not in his place today and I regret even more the reason for his absence. I know that he is ill.

We all wish him a speedy recovery. However, we recall his words on November 29 1961, in Saskatoon—I happened to be in Saskatoon with him on the same day—when in the Saskatoon *Star-Phoenix* he is reported as follows:

> Today Hon. Alvin Hamilton, home from grain-selling trips which have taken him half way around the world, said that there would be no farm acreage payments in this calendar year. He did not attribute this to lack of federal dollars but said that the cheque machines required to roll out the barrels of money were busy with other financial details.

It was therefore left for the Prime Minister a little bit later to make the announcement of acreage payments. Of course, that is the usual procedure followed by this government. The good announcements come from the Prime Minister and the hard and harsh announcements come from the other ministers, as was the case with the Minister of Public Works (Mr. Walker) when he had to speak within a few hours after the Prime Minister had spoken—I am thinking of New Brunswick and Fredericton—and had given no indication that the bad announcement was to come shortly from the mouth of the Minister of Public Works about the Chignecto canal.

The speech from the throne contains a lot of old stuff. There are some promises of things that were promised years ago, no doubt on the assumption by the government that repetition is reputation. A good example of this is closure. We remember the ringing statements of the Prime Minister in 1957 and 1958 about what he was going to do with closure. Now, in 1962, we have the ringing declaration in the speech from the throne that the matter is going to be submitted to a parliamentary committee.

Some of the promises in the speech are promises to talk with the provinces about doing something in 1962 or to begin talking with the provinces about doing something. Of course, the contributory insurance plan of the government comes to mind in that connection. Some promises are to pay out large sums of money on the eve of an election without saying how much; a railroad here or a railroad there; a bridge in Montreal without tolls or in Prince Albert a bridge to political resources; a ferry promised now for a causeway promised once and refused yesterday.

Perhaps the most notable thing about the speech from the throne is its omissions. Some of these notable and important omissions are explainable only by the characteristic inability of the government to make up its mind, never to do today what it can put off until tomorrow or, if a royal commission can be appointed, until a few years from now.

Four main matters are omitted from the speech from the throne, in so far as any effective proposals for dealing with them are concerned. There is no program of action, although there are a few words, for the stimulation of economic growth, or even an indication of awareness of its necessity. Presumably—and I shall have something to say about that matter today—the government is quite satisfied with the economic growth we are experiencing at the present time. Second, there is no program of effective action to combat chronic unemployment, especially in certain areas. Third, there is no definition of a coherent policy indicting that the government recognizes the dramatic and important new trading patterns and policies that are now taking shape in Europe, and the opportunities and the challenges which these changes represent for this country.

Fourth, after two years of indecision and procrastination, confusion and contradiction, there is still no statement of an intelligible Canadian defence policy, especially whether Canada is or is not to have nuclear arms. This omission—and I should like to say a few words about it—merely confirms the shocking refusal of the government to make up its mind on defence policy, especially on the use of nuclear weapons. With all the confidential and secret information at its command, it delays, doubts and procrastinates. Yet it attacks the opposition, which has not the responsibility for policy and has never been given any of the confidential information on which policy must be based, for not finally and dogmatically laying down policy in this field. Could there possibly be a more complete abdication of governmental responsibility? The government spokesmen, when they speak—and let us remember that they speak with ministerial responsibility, each one of them—contradict each other and indeed they contradict themselves.

The Minister of National Defence (Mr. Harkness) agrees that nuclear warheads alone make sense for some of the arms we now have secured. Statements have been made confirming that these arms will have nuclear warheads, and other statements that they will not have them. Other statements have been made saying that no decision will be reached as long as the disarmament conference is proceeding or as long as there is a chance for a nuclear test ban or as long as there is no deterioration of the international situation. "We will make up our minds after these other things happen."

At the United Nations, on the other hand, reflecting presumably the view of the Secretary of State for External Affairs, Canada voted for a resolution, opposed by most

of her NATO allies including the United States, the United Kingdom and France but strongly backed by uncommitted, neutralist and communist members including the U.S.S.R., which was designed to prevent the extension of the nuclear club. This is a most desirable objective but one which is entirely inconsistent with the use of such weapons in Canadian custody or under Canadian control.

Meanwhile, Mr. Speaker, we are spending millions on weapons, some of them already in the hands of Canadian forces, which will have only a minimum of effectiveness without nuclear warheads.

Mr. Green: May I ask the Leader of the Opposition a question? How would he have voted on that Swedish resolution?

Mr. Pearson: Mr. Speaker, I will tell the hon. minister this, that if I had voted one way in New York I would have expected to be backed up by statements of my ministerial colleagues in Canada—

Some hon. Members: Oh, oh.

Some hon. Members: Hear, hear.

Mr. Pearson: —and if I were minister I would refuse to take a position at the United Nations which was contradicted by statements made by my colleagues at home.

Mr. Green: Will the Leader of the Opposition now answer the question, please?

Mr. Pearson: We are going to have a debate on external affairs.

Some hon. Members: Oh, oh.

Mr. Pearson: The minister has not denied the accuracy of anything I have said and I leave him to ruminate over the conclusions he may wish to draw from that record of contradiction. I say that the record is one of paying millions for weapons which have no warheads at all. Perhaps they will be filled with sawdust.

Mr. Hees: How would you have voted?

Mr. Pearson: We are spending millions of dollars for weapons that have no warheads and we are told that when the emergency develops we will then decide. Believe me, if an emergency develops in the way it is likely to develop the minister may not have very much time to decide. It will take 17 to 20 minutes for a missile to reach this continent. Is he going to have time then to move his warheads from the United States to North Bay? But that is the policy of the government with regard to these things. What kind of irresponsible confusion and concealment is this?

Mr. Diefenbaker: You have given an example of it.

Mr. Pearson: I know that it is almost impossible for the Prime Minister and his colleagues not to ask us what we would do because we on this side were so much more successful in doing the right thing when we were in government.

Some hon. Members: Hear, hear.

Some hon. Members: Oh, oh.

Mr. Pearson: I do not blame them a bit for trying to get our views, especially as they do not seem to have views of their own.

Another notable omission in the speech from the throne, which I have mentioned and propose to deal with at considerable length, is the shocking, startling mismanagement of international economic policy by the present government. We have been told and we are going to be told in this debate that the state of international trade is most encouraging, that everything is fine, that our exports are going up.

Mr. Fleming (Eglinton): Hear, hear. An all-time record.

Mr. Pearson: I was hoping for that interjection and I knew I would not be disappointed. Notwithstanding what the Minister of Finance (Mr. Fleming) has said here and the other day in Winnipeg, our relative position in regard to export trade has declined in the last five years. It has declined notwithstanding what the Minister of Finance said in Winnipeg. We are no longer the fourth trading nation in the world but the fifth, notwithstanding what the Minister of Finance and the Minister of Trade and Commerce (Mr. Hees) are telling us. World exports have increased by 21 per cent since 1956 while Canadian exports have increased 11 per cent. Are we holding our own in world trade? Is the minister satisfied with the position we have achieved in world trade, especially as our increase in the current year is due largely to the fact that we are selling so very much more to communist countries and Cuba? Is that any foundation for satisfaction?

Mr. Fleming (Eglinton): Do you object to that?

Mr. Pearson: I do not object a bit but I do not go around making these foolish statements that everything is fine with trade and that we are going ahead beautifully.

Mr. Fleming (Eglinton): When did you stop making foolish statements?

Mr. Pearson: Well, I would have a very hard time equalling the record of the minister

in that regard. If he will just contain himself for a little while, I have some of his more startling statements in my notes and I will be glad to put them on the record.

Mr. Fleming (Eglinton): They will be the best part of your speech.

Mr. Pearson: We will see about that. It is understandable that the government should have very little in the speech from the throne about trade policy because of the confusion of trade voices in this government, especially in respect of what we should do about the European common market and parallel developments, including the application of the United Kingdom to join the common market. The Prime Minister and some of his colleagues, most recently the Minister of Finance in Winnipeg last Saturday night, I think—

Mr. Fleming (Eglinton): Friday noon. Wrong again.

Mr. Pearson: The Prime Minister has told the country that in respect of the United Kingdom's application to join the common market he is confident that the United Kingdom will protect our interests. He said in Halifax that he was confident that commonwealth trade ties would not be greatly harmed. The Minister of Finance repeated that in Winnipeg last Friday noon. This represents a very startling change, especially on the part of the Minister of Finance.

Mr. Fleming (Eglinton): Not at all.

Mr. Pearson: Well, I will now begin to quote the minister's words.

Mr. Fleming (Eglinton): I hope you will quote them correctly because you have not been doing so for a long time.

Mr. Pearson: If the minister will throw his mind back to his trip to Accra, I would point out that in respect of this particular matter he said there that Canada acknowledged the sincerity of the United Kingdom with regard to doing their best to protect commonwealth interests. The minister said, "But hope is not enough; good intentions are not enough". Then he talked about the slippery slope on which we were entering and he pleaded with the United Kingdom not to join the European common market because it would be bad for them and bad for the commonwealth. His words were echoed by the Minister of Trade and Commerce.

Then, Mr. Speaker, when the discordant music of this governmental anvil chorus got back to Canada and did not go over so well with the people of Canada, the government began to change its tune. Since that time the Prime Minister in Halifax and in Newfoundland, the Minister of Agriculture (Mr. Hamilton) over the air and also the Minister of Finance and the Minister of Trade and Commerce have all begun to sing a different tune. I suggest, Mr. Speaker, that they have gone so far in this—and this is the ultimate in casuistry, if not hypocrisy—they have gone so far in trying to explain their earlier position as to argue, especially the Minister of Agriculture, that they were merely giving the United Kingdom ammunition. The Minister of Agriculture has said that by our arguments and by our objections we were giving the United Kingdom ammunition presumably to blast its way into the European common market. These ministers say now that they were putting the British in a stronger bargaining position. That is a very different position indeed from that which they took last summer and last autumn.

The Minister of Trade and Commerce may remember the speeches he once made—I suppose he is trying to forget them now—in which he said that any trading arrangement which represented freer trade in the Atlantic area would mean exposure to United States competition and that would be fatal. That, he said, is why an Atlantic trading community is nonsensical and impossible and would cause mass unemployment in Canada. Does the minister deny that he said these things?

Mr. Hees: Mr. Speaker, I should like to correct that statement. I said that it would be fatal for some Canadian industries, and I think the Leader of the Opposition would agree with that.

Mr. Pearson: The minister has also said it would be nonsensical, impossible and would cause mass unemployment in Canada. The minister must remember he said that more than once.

At the time he was making these speeches, and this was some months ago, his colleague the Associate Minister of National Defence (Mr. Sevigny) was saying that what we really should work for is a western hemisphere free trade area including the United States of America.

Perhaps the best example of the transition from inconsistency to incoherence was given by the Minister of Agriculture during an interview in Victoria, British Columbia, at the beginning of December. This really provides comic relief. During a press conference he said that the European common market was only a European rich man's club surrounded by a high tariff wall. I shall quote from a newspaper which is most friendly to

the government, the Victoria daily *Colonist* of December 2. This is what the minister is reported as saying:

> If Britain goes in and joins this cloister, this monastery—

He had switched overnight from a club to a cloister.

> —everybody will be taking in everybody's washing.

This is the assessment of this important European and world development by the Minister of Agriculture. What he calls an exchange of washing resulted in the European six increasing their trade in 1960 over 1950 with the outside world by 23 per cent, and increasing their gross national product by 6.5 per cent in one year. When this minister or any minister talks about the high tariff walls of the European market, he forgets, or perhaps he never knew, that the European common market is averaging national tariffs at the level of January 1, 1957 and, as announced, is willing to reduce that average 20 per cent on the basis of reciprocal concessions. Indeed, this objective was announced two years ago when Dr. Hallstein was in Washington. Perhaps the government does not know that the United States has already negotiated that kind of deal with the European common market for important reductions in tariffs. Is this restrictionist? I wish the Minister of Agriculture were here to reply.

Is this Canadian government ready to bargain on that basis? Perhaps we will learn something about this during this debate. Will the government be so naive as to merely sit back and hope that it can get the benefits of negotiation by others? We do not know about this, but perhaps one of the ministers will tell us something about it.

Our own position in this matter, Mr. Speaker, is the belief that we should be in the forefront of this kind of negotiation, not following behind. Perhaps I may be permitted to do something I have very rarely, if ever, done in the house in order to indicate the consistency of the position we have taken. I should like to quote from a speech I made in January, 1958, on this very matter in Vancouver at the board of trade. I said this:

> In Europe, six continental countries are prepared to form a customs union to be complemented by free trade arrangements with the United Kingdom and probably also the Scandinavian countries and the rest of continental Europe.

This has almost come about.

> When these arrangements are completed, there will be a tendency in some parts of this large area to aim at European economic isolationism. These countries have tried to gain easier access to the United States and Canadian markets without any substantial degree of success and they may now feel that the only other alternative is a large economic unit of their own, as self-sufficient as they can make it. That would be an unhappy development.
>
> Indeed it would be tragic—politically and economically—if the free world should now divide into separate economic blocs while the Soviet world remained a massive, single, trading unit.
>
> There is increasing evidence that Soviet leaders are more and more interested in conquest by economic methods, used and controlled by the same means and for the same purposes as are the diplomatic and military arms of that government.
>
> The west is gradually—too gradually—recognizing this major shift in Soviet policy, and the necessity of taking steps to meet it. If declarations of interdependence from Washington and Paris mean anything, they must mean closer co-ordination of our economic and scientific activities in NATO. It will not be possible, in the long run, for allies to work together in close defence co-operation and grow increasingly apart in economic conflict.
>
> If then we do not wish to weaken the western coalition; and if, in Canada, we do not wish either to face the United States alone or become too dependent economically on it, then surely the best policy for us is to seek economic interdependence within the north Atlantic community through freer trade. A first, and important step in this direction—and one certainly, in my view, which should be given careful, sympathetic, and detailed consideration—is the United Kingdom offer of free trade with Canada.
>
> For Canada a north Atlantic area with the freest possible trade would certainly mean a much greater export market in the United States and in Europe; lower cost of production for many Canadian industries—and lower living costs, I would hope, for Canadian consumers.

Then, I add this paragraph, too:

> In short, it seems that the era of gradual tariff reductions through GATT has come to an end. We do not surely wish to replace it by a western Europe and a North America aiming at self-sufficiency. If not, then surely the best alternative, and the best way to meet the Soviet economic and political challenge is an Atlantic freer trade area to complement the European customs union and free trade zone. For Canada, is this not the best way to reduce our economic dependence on the United States while expanding our trade, maintaining our economic development, and raising even higher our living standards?
>
> This is a challenging prospect and is surely worth serious and immediate consideration, negotiation and planning. Could there be a finer initiative for Canada?

Mr. Speaker, that initiative was not taken by this government. This initiative would have shown the way to reduce obstructions to trade between countries, not only in the north Atlantic communities but in the whole of the free world; in the first instance, with a European economic community and with the United States and the United Kingdom, if she were not in that community.

I admit that there has been some sign in recent weeks of—what shall I call it—backsliding into relative realism. The *Globe and Mail* of January 3 put it this way:

> Ottawa tried to turn a blind eye to the common market when Britain made the first move toward membership but has now been forced to face the facts.

Well, Mr. Speaker, I hope that is so. I admit, and I am glad to admit, that on January 15 the Minister of Trade and Commerce also spoke very differently from earlier occasions. He said Canada faced here a situation which was admittedly full of difficulties and adjustments, but also offered new opportunities. It is too bad that six months ago or a year ago the government did not concentrate on the opportunities offered instead of worrying so much about the danger. We might be in a different position today if they had done that. But they did not.

As a result of their negative policy, I hope to be able to show to the satisfaction of hon. members that we have forfeited a good deal of our bargaining power in the negotiations before us.

Mr. Fleming (Eglinton): Nonsense.

Mr. Pearson: I hope that this recent declaration by the minister means a change in attitude on the part of the government. But let us look at the record which gives cause for anxiety because it shows the blindness of the government over European economic developments as they occurred and the stupidity of its policy and its attitude when it awoke.

Professor MacDonald of the economics department of the University of Toronto put it very well in an article in the Canadian *Forum* a few weeks ago. He said this:

> That Canada should not have been prepared for the inevitable is disturbing. Either Canadian intelligence did not sense the strong change of official opinion in Britain, which is inexcusable, or the Canadan government refused to recognize it, which is irresponsible.

Well, Mr. Speaker, the conduct of the Canadian government in those days was both inexcusable and irresponsible, and unworthy of any Canadian government.

Let us look at the evidence. Let us look first at the evidence about blindness. The Minister of Finance, on April 25, 1961, as reported in *Hansard* at page 3979—and remember this was less than a year ago—had this to say:

> Let them—

He was referring to the opposition:

> —be frank enough and informed enough to talk about it—

That is, Britain joining the common market:

> —as though it were what it is, something very tentative.

This, I repeat, was April 25, 1961, and according to the minister it was something very tentative. He also used the word "hypothetical" in his statement. But the minister most concerned in the United Kingdom had made it perfectly clear months previously—I think it was in a speech in Paris—that the United Kingdom was going to attempt to do this.

Mr. Fleming (Eglinton): You are not right there.

Mr. Pearson: Where did the government get the information on which to base that kind of statement made by the Minister of Finance?

Mr. Fleming (Eglinton): From the British government.

Mr. Pearson: I shall have some quotations on that too. Now, having convinced themselves from sources of information which presumably were open to them in London, although I do not know what they were, that the United Kingdom would not apply for membership, the government's reaction when that application was made and they were actually faced with it, was one of shocked consternation, of complaint and criticism and irascible objections to it.

Mr. Fleming (Eglinton): That is silly talk.

Mr. Pearson: We shall see whether it was silly talk or not. I shall give some evidence on it. One reason for this reaction no doubt was that the opposition had been right on this matter and the government were proven wrong.

Mr. Fleming (Eglinton): The opposition were never right on this matter.

Mr. Pearson: The best reflection of this sterile, negative and complaining attitude of the government was shown at the conference in Accra. The Minister of Finance in the famous luncheon speech which he made at Winnipeg had this to say last Friday, and I quote from his statement on page 2.

Mr. Denis: He will deny it anyway.

Mr. Pearson: It was one of the most extraordinary statements the minister has ever made, that at no time had there been anything remotely approaching coolness and hostility in our relations with the United Kingdom.

Mr. Pickersgill: Ask the British.

Mr. Pearson: He also said that we have never tried to make things difficult for the British.

Mr. Fleming (Eglinton): Very true.

Mr. Pearson: In other places, with his flair for courtesy and modest understatement, the minister had this to say:

> To say we criticized the U.K. at Accra is a blatant lie.

That is one of the favourite expressions of the minister in describing statements with which he does not agree, that they are blatant lies. At times he accuses people who make these statements of nazi big lie techniques but, Mr. Speaker, if statements to the effect

that the Canadian government made it difficult for the United Kingdom government at Accra and other places are blatant lies, then practically every reporter at Accra was guilty of blatant lying. I shall just quote from some of the reporters who were present.

Mr. Fleming (Eglinton): None of them was present at the conference. They were all outside.

Mr. Pickersgill: One wonders whether the minister was present.

Mr. Fleming (Eglinton): It was a closed conference, you understand.

Mr. Pearson: The minister has said they were not present at the conference because it was a closed conference. The fact that it was a closed conference undoubtedly explains why the office of the Minister of Trade and Commerce very courteously handed his statement to the press. It was that kind of closed conference. At least that particular speech was no hidden report.

Mr. Norman MacLeod of the U.K. press, reporting at Accra, had this to say in reference to the position taken by the Minister of Trade and Commerce:

United Kingdom association with the European six—

Referring to the Minister of Trade and Commerce. I continue:

—unless it can be accomplished on terms of existing empire preferences, will mean the end of the commonwealth eventually.

I suppose that is not making it difficult for the United Kingdom, to say that it would mean the end of the commonwealth eventually. Mr. MacLeod went on to say that this was the blunt fact and the historic choice which the Canadian trade minister laid on the conference table, either the commonwealth or the common market. The minister put it up to the British in those terms, notwithstanding the fact that the prime minister of the United Kingdom had denied that such choice was required in the policy to be adopted.

The minister, according to Mr. MacLeod, then emphasized the economic disadvantages of the U.K. moving into the common market, and to make sure his warnings were made public—these are my own words—his speech, as I have said already, was released to the journalists at Accra. In that speech he also said:

There is no substitute for the terms of access we are now accorded in the U.K. market.

Does that not make it difficult for the United Kingdom? Does that make it easier when the Minister of Trade and Commerce adopts the attitude that if existing preferences are not maintained as they are now it will mean the end of the commonwealth eventually? What a policy to adopt. What an attitude to take. In that statement he nailed the Canadian government's colours to the preferential mast—no change—and yet the Minister of Finance says there was no criticism from Canada. Are all the headlines and stories from Accra false and lying? The *Gazette* on September 14 carried this headline "Hees leads attack on U.K. move".

Mr. Fleming (Eglinton): Most of the headlines were misleading.

Mr. Pearson: Another read "U.K. must choose Commonwealth or bloc—Fleming".

Mr. Fleming (Eglinton): Those headlines were very misleading.

Mr. Pearson: On September 12, 1961, the Toronto *Globe and Mail* had this to say:

Finance minister Donald Fleming's airplane had barely touched down in Ghana, where he is attending a conference of commonwealth finance ministers, before he had started crying his familiar song of woe.

What does Mr. Fleming expect to achieve by such public breast beating? It is time that he understood that politics is the art of the possible. and that there is no sense at all in complaining about a decision which is being forced upon Britain by sheer economic necessity.

Mr. Fleming (Eglinton): And which Britain says she still has not made.

Mr. Pearson: Then, in the Toronto *Telegram* of September 13, 1961, there was the headline "Tears at Accra." I repeat this was the Toronto *Telegram,* the source above suspicion. It continued:

Mr. Fleming should beware of creating an image of Canada as an international crybaby. Canada believes in looking after its interests, but it supports the progress of mankind everywhere.

The Vancouver *Province,* of September 15, carried the following:

Trade minister Hees' cry from Ghana is plaintive, primitive and pointless.

There could be no better three words than those to describe the attitude of policy of the Canadian government in this whole matter, "plaintive, primitive and pointless." The newspaper added "It must be the heat." The Vancouver *Province,* which is a charitable paper, had a good excuse for the Minister of Trade and Commerce because it went on to say it must be the heat.

Then there is the very responsible, very accurate, well informed and intelligent financial editor of the *Gazette,* Mr. John Meyer, I am sure the minister reads his article every morning, as I try to do.

Mr. Fleming (Eglinton): Not with profit.

Mr. Pearson: The minister says, "Not with profit". On September 13, 1961, Mr. Meyer had this to say:

> The press reports from Accra, where the commonwealth economic consultative council is meeting, were discouraging ... All that is being accomplished at Accra is to strengthen the growing overseas conviction that Canadians are incapable of looking after themselves.

Mr. Fleming (Eglinton): And he was just as inaccurate as those other quotations of yours.

Mr. Pearson: Mr. Speaker, we are not incapable of looking after ourselves, but the government is incapable of looking after the nation's business.

The government is now so anxious to forget this whole sorry episode and the critical reactions to it that whenever they are reminded of it they cry "foul", "murder" or "blatant lie".

Mr. Fleming (Eglinton): Or "Liberal misrepresentation".

Mr. Pearson: But their words are on the record, even though the conference was off the record. The Minister of Finance cannot deny that he said:

> We believe that the United Kingdom is too deeply entangled ever to be able to withdraw. This is a slippery slope.

Did the minister say that, or not?

An hon. Member: No answer.

Mr. Pearson: The ministers concerned cannot deny that they took the position that common market membership would pose great dangers for Great Britain, and in the words of the Minister of Finance:

> Political relationships within the commonwealth will be fundamentally changed.

The answer to that was given in London by Mr. Harold Macmillan, the Prime Minister of the United Kingdom, on July 31, 1961, when he said:

> I do not think that Britain's contribution to the commonwealth will be reduced if Europe unites. On the contrary, I think its value will be enhanced.

Then he stated his belief that the choice between the commonwealth and the common market was a false one, and I say that the Canadian government adopted a false and dangerous policy in trying to drive that home as an unavoidable choice.

This childish lecturing and hectoring of the British is all the more amazing in the light of the government's own record in the field of United Kingdom-Canadian relations. There was the famous 15 per cent diversion which raised great expectations in the United Kingdom some years ago and which fell so flat. There was the free trade offer and the sterile response to that by this government. There is the policy of pinpricking protectionism at a time when our balance of trade with the United Kingdom is so very favourable.

No wonder that a member of parliament and former economic secretary to the treasury, Mr. Nigel Birch, speaking at the annual Conservative conference last summer in Brighton had this to say:

> The fact that preferences have been whittled away since the war has not been by our will but by the will of the commonwealth countries themselves. Look at what happened when John Diefenbaker became Prime Minister of Canada. He wanted to increase imports from Britain by 15 per cent. We were delighted. We offered him anything up to a full customs union. What happened? Nothing.

Mr. Fleming (Eglinton): Mr. Birch was wrong.

Some hon. Members: Oh, oh.

Mr. Benidickson: Everybody is wrong.

Mr. Pearson: Mr. Speaker, of course everybody is wrong except the Minister of Finance.

Some hon. Members: That's right.

Mr. Pearson: Then came the sorry episode over the question of consultation between the United Kingdom and Canada regarding Britain's application to join the E.C.M. There was the complaint which was given so much publicity, that the Canadian government was not being told about British policy, and in particular that they were not given the full text of Mr. Edward Heath's speech of October 10 in Paris and received only a summary.

They developed this matter into a great issue, with all their normal sense of confused excitement. They built it up and they built it up and they built it up. Then the full text was made public and the crisis very quickly ended. But it did further damage to the reputation of this—

Mr. Fleming (Eglinton): There was no crisis.

Mr. Pearson: It did further damage to this country's reputation abroad.

Mr. Fleming (Eglinton): No.

Mr. Pearson: The minister again says no, so I am going to have to put a few quotations on the record.

Mr. Fleming (Eglinton): Yes, a few more of those quotations.

Mr. Pearson: Mr. Speaker, if the minister would only admit once in a while that he has made a mistake, that things once went wrong and they are trying to make them better now.

Mr. Benidickson: Impossible.

Mr. Fleming (Eglinton): Does the hon. member—

Mr. Speaker: Order. If the minister wishes to ask a question, perhaps he would rise.

Mr. Chevrier: He never rises. He interrupts repeatedly from his seat.

Mr. Fleming (Eglinton): Mr. Speaker, I would gladly accept the invitation if the hon. member would allow a question.

Mr. Pearson: Of course.

Mr. Fleming (Eglinton): Does the hon. member say we should not have sought to obtain a full text of that speech on a matter so very important to Canada and to the interests of Canadians?

Mr. Pearson: That would depend upon how much information was given to the government in the summary. If they had all the necessary information in the summary—and I will have something to say about this—

Mr. Hellyer: Do you not trust the British?

An hon. Member: They don't trust the British.

Mr. Fleming (Eglinton): That is not true.

Mr. Pearson: Mr. Speaker, it is unfortunate that my speech has to be prolonged, but I have to put on the record so many of these statements because the minister will never admit that he is wrong. He is not only omniscient, but he is infallible. Therefore when he goes around saying that people who disagree with him are blatant liars, we have to put on the record of this house who are these people who are disagreeing with him.

When I say that this episode caused damage abroad to the reputation of Canada's government I am under an obligation to support that statement with evidence, and I propose to do that.

Here is a quotation from a highly respected London weekly, *The Spectator,* of December 1, 1961:

> The publication of the full text of Mr. Heath's Paris speech to the Six makes it clear that last week's fuss was unjustified. So far from taking advantage of the darkness of the conference room to sell the commonwealth down the river, the British government appears to have stuck up for their interests to an extent that should impress even the Canadian Minister of Finance.

I charge the government with knowing this and creating this rather silly diversion of non-consultation; this affectation of chagrin and consternation, as a smokescreen to conceal their own foolishness and errors.

Mr. Fleming (Eglinton): Silly talk.

Mr. Pearson: Mr. Speaker, I hope all these very profound and wise interventions of the minister are getting into *Hansard.* I would hate to see any of them missed. The last one was "silly talk".

[Mr. Fleming (Eglinton).]

If the government really wanted the fullest possible consultation and to keep in the closest possible touch with the British over their application to join the common market, why did not the government months ago—as they were requested to do—send some special representatives, or at least one special representative to Brussels to keep in touch with what was going on?

Why did not the government accept the invitation of the British government to send them a list of goods in which they were particularly interested and which might be affected by these developments, and give some priority as to the way it would affect Canada?

Why did they turn down that invitation at that time? And now, after Mr. Heath came out here for a second visit and things went off better, why is the government making a great virtue of the fact that they are sending representatives to Brussels in 1962?

Mr. Fleming (Eglinton): Because now is the time. They have entered a different phase of the negotiations.

Mr. Pearson: I have had some experience in the world of diplomatic negotations in both economic and political matters. The time to keep in touch with the other parties in such negotiations is right at the beginning, not at the end. If it is desirable to send a Canadian mission to Brussels now it certainly was desirable a few months ago. No wonder the *Financial Post* correspondent in London reported on December 9, 1961 that as a result of this mix-up—

Mr. Fleming (Eglinton): Name?

Mr. Pearson: His name is Mr. Archer Mark. He is a *Financial Post* correspondent in London, and he said:

> As a result of this mix-up we were branded as hostile and untrustworthy.

No wonder the Brantford *Expositor,* another paper friendly to the government, wrote in an editorial on November 30, 1961:

> Two leading Canadians, and indirectly Canada herself, have emerged looking ridiculous from the Drew-Fleming tantrum over not getting a full text of the British statement to the Paris opening of the common market negotiations, October 10.

The report went on:

> When it indulges in political grandstanding, as in the Drew-Fleming affair, the government should take care to confine the performance to home grounds and not expose Canada to ridicule in a country where we still need to keep lots of friends.

This ludicrous complaint about no consultation is all the more ludicrous coming from a government which has recently, to say the least, been very careless about consulting the United Kingdom when we have been contemplating at times economic action as a

government which affected her interests. So careless was it about consultation with the United Kingdom in connection with the air agreement that it announced the agreement before it got the approval of the United Kingdom. As a matter of fact, it has not been able to get it yet. This demand for full information and more consultation sounds especially silly coming from a government whose high commissioner, no doubt acting on instructions from Ottawa, because that is the way in which high commissioners usually operate, refused to meet with United Kingdom representatives and other commonwealth high commissioners to deal with this particular matter.

Mr. Benidickson: Another case of putting the cart before the horse.

An hon. Member: Which matter?

Mr. Pearson: The European market and the implications of United Kingdom accession to it.

Mr. Fleming (Eglinton): You know that was denied.

Mr. Pearson: Within an hour of this situation becoming known a statement was issued by a representative of Canada House underlining the fact that this had been done deliberately. That statement, I admit at once, was re-explained and denied a few hours later. The world was then told that the non-attendance of the high commissioner was of no significance at all; it was due to a previous engagement, even though this meeting had been called days earlier. The Secretary of State for External Affairs in his desire to be helpful—and he always tries to be helpful in these matters—added that the high commissioner was also suffering from a bad cold.

The attitude of public opinion in the United Kingdom at that time was expressed in *Sunday Times,* a reputable newspaper now under the ownership of a former Canadian—a former Conservative candidate in Toronto, I believe. That paper had this to say last October:

> Nobody in London *wants* to quarrel—but nobody seems to be able to keep on terms with the Canadian government.

The Manchester *Guardian* thrust this home on November 30 when it said this:

> From now onwards, Canadian views should be heard as freely as before but heeded less.

I do not think any Canadian could have got any pleasure out of reading that sentence in such a famous newspaper.

Mr. Fleming (Eglinton): A shameful statement.

Mr. Pearson: Then, in the Hamilton *Spectator,* a newspaper devoted to the interests of hon. gentlemen opposite, the following statement appeared on January 6:

> The only thing we seem to have succeeded in winning was a reputation for sulking.

Let us contrast this attitude with the attitude taken toward these developments by the United States—an attitude which combined an understanding of the developments themselves with a determination, as is proper, to protect national interests—the same kind of determination as we should show. In contrast to our own negative and sterile attitude, their attitude was positive and farsighted. Consider the report of Mr. Herter and Mr. Clayton. Consider the position of the United States administration as put forward by the under secretary of state, Mr. Ball. Listen to this excerpt from President Kennedy's state of the union message on January 11; I wish we could have had something like this in the speech from the throne. He said:

> Will we in this country adapt our thinking to these new prospects and patterns—or will we wait until events pass us by?
>
> This is the year to decide. We need a wholly new approach—a bold new instrument of American trade policy.

That certainly applies to this country. Then the President went on to say, in the same speech:

> Concessions, in this bargaining, must, of course, be reciprocal, not unilateral. The common market will not fulfil its own high promise unless its outside tariff walls are low. The dangers of restriction or timidity in our own policy have counterparts for our friends in Europe. For together we face a common challenge: to enlarge the prosperity of free men everywhere and to build in partnership a new trading community in which all free nations may gain from the productive energy of free competitive effort.

On November 9, at Windsor the Minister of Finance pleaded that the United States should supply bold leadership in this field. He said we were counting on it. Then, in Ottawa, after that leadership had been given by Washington, the Canadian government gave a cool and qualified endorsement of the United States plans to the United States delegates who had come here to explain what that leadership might mean, together with the policies and the proposals which would be based on it. Indeed, after that conference, when the Minister of Finance was asked whether the Canadian government had given any form of undertaking to support President Kennedy's proposal for a major reduction in world tariffs, the hon. gentleman replied as reported in the press, and I quote from the *Globe and Mail:*

> No, no, that was not a matter for discussion. It would have been premature and inappropriate for Canada to offer such support.

The reason the minister gave was that the matter was before congress.

Mr. Fleming (Eglinton): Would be coming before congress.

Mr. Pearson: Yet within 24 hours of that statement the Canadian government issued a note on the subject of the Chicago water diversion complaining about a matter which was then before congress. How ridiculous can you get?

Mr. Green: On a point of order, Mr. Speaker, this question of diversion was before the courts in Illinois.

Mr. Pearson: I do not think that really improves the minister's position very much. It is also before the courts. Now it is before congress.

The Minister of Trade and Commerce who is referred to in the press as the sartorial star of the meeting was asked to make a statement on January 4 at the opening of the conference. He was asked whether he had anything to say about this meeting which might have been of such vital importance to both countries. Well, the minister is reported as replying jauntily: "We are theoretically against sin".

An hon. Member: Not in practice?

Mr. Pearson: I would advise the minister in his own interest to leave that word "theoretically" out in future.

Mr. Hees: I rise on a question of privilege, Mr. Speaker. If I made that statement, it had no connection with the impending meeting with the United States ministers.

Mr. Pickersgill: Just another misreport.

Mr. Pearson: That statement exempts the minister from one accusation but it certainly exposes him to another one. When he is confronted by the press gallery as he enters an important meeting of this kind between ministers of the United States and ministers of Canada, and he is asked whether he has any statement to make about the meeting, and replies, "We are theoretically against sin", that statement exempts him from any conscious effort to do any damage but it does not pay much of a tribute to his realization of the importance and impressiveness of the meeting in question.

Mr. Hees: Again, Mr. Speaker, I say that if I made that remark—and I do not remember making it—

Some hon. Members: Oh, oh.

Mr. Hees: —it was not made in any connection with the impending meeting with the United States ministers.

[Mr. Pearson.]

Mr. Pickersgill: Just on the same day.

Mr. Pearson: I accept the minister's explanation without question, Mr. Speaker. However, his statement "We are theoretically against sin" might well have been applied to the communique which came from the meeting, for that is about all it contained. Therefore I say that in the course of this debate we should have from the government some statement with regard to this matter which is of such vital importance.

Perhaps I may be permitted to put on the record what we in this party said immediately with regard to the President's state of the union message. The proposal was made on January 11, 1962. We said this, and the statement was issued in my name:

> President Kennedy's proposal for expanding trade is a farsighted program. It would have the active support and encouragement of a Liberal government in Canada. I believe that Canadians should be among the first to welcome such a policy, because of the great benefits that will flow from it.
>
> The President is asking congress for authority to negotiate with the European common market to lower trade barriers through mutual concessions. We cannot tell how quickly the President's administration will be able to move on these lines. But I am sure that Canada should be encouraging the movement. Indeed, a Liberal government would have taken the initiative earlier. We would share fully in negotiations for expanding the trade with Europe of both the United States and Canada. We would also be interested in discussing U.S. proposals that would include the reduction of U.S. tariffs on Canadian products, which are an important barrier to our trade.
>
> Above all, however, the United States proposal recognizes the need for maximum economic cooperation among the countries of the democratic world, in the face of the threat of communist expansion and aggression. Canada should be pressing forward, not holding back in these realistically farsighted efforts.

I now wish to say something about the economic situation in our own country, the domestic economic situation. The conclusion which the speech from the throne comes to with regard to that situation, the evidences of which are all around us, shows the unawareness of the government as to what has happened and what is going on.

There are more men at work, there is more trade and there is more production, they say, and the government seems to be very much satisfied with its efforts to cure the recession which for so long it refused to recognize.

Mr. Hees: Nonsense.

Mr. Pearson: Of course there are more men at work. We have more men and women coming into the labour force every year, but if we cannot get more people at work from year to year, what chance have we? Of course our trade is expanding. If it were

not expanding, where would we be? However, it is expanding less than formerly, relatively speaking. Of course there is more production but the percentage of increase in production is not such as to give satisfaction to any member of the Canadian government. I shall have something to say about that matter.

In its turn the government complains that the situation is largely the fault of the press —and not only of the press but of members of the opposition—because it does not paint the true picture of the government's herculean and triumphant efforts in the field of economics. Here is what the Prime Minister said in Toronto, and these are words which should not be forgotten. On January 13 as reported in the *Globe and Mail* and indeed in other papers, we find the following:

> The Prime Minister said the efforts of the government to improve Canada's economic position have been questioned by a servile press.

The Minister of Public Works, who is not in the house at the moment—

An hon. Member: Here he comes.

Mr. Benidickson: He is just coming in again.

Mr. Walker: There is a limit to what I can take; but go ahead.

Mr. Pearson: The minister is rather thin-skinned except when he is dealing it out to others. The Minister of Public Works did not use the word "servile". However, he referred to the bias of the press—the government seems to be peculiarly worried about the bias of the press these days—and says that the bias of the press was due to the fact that it was too Liberal; that the bad reception in the country of the efforts of the minister was due largely also to the fact that the ministers were modest and inarticulate and shrank from proclaiming the achievements of the government. On December 4, in Nova Scotia, the minister said to his colleagues that they should get out and talk; sell their achievements to the Canadian people. Here is what he said as reported in the press:

> The Liberals were in power 22 years and it seems that a strong Liberal bias has been built up in most of the press and the broadcasting stations...
>
> Perhaps we Conservatives and cabinet ministers in particular have not talked enough about the successes we have had!

If they talked only about their successes, Mr. Speaker, they would certainly not have much to talk about. Then he went on to say this:

> Certainly it is our duty to do so from now on.

The minister's sense of timing was not as exact or as fortunate as it sometimes is because almost at the same time as he made this statement there appeared in the press another item to the effect that the ministers —and this was said with some satisfaction— have made 300 speeches in the three autumn months. Yet it is said they are not talking enough. They made 300 speeches in three months, and of course they were practically all political speeches. Yet it is said they are not talking enough, that it is a matter of propaganda, they cannot get the message across. Moreover, in the preparation and placement of these 300 speeches, the ministers are assisted by the largest number of personal executive and publicity assistants on the public payroll in our history. The ministers must have read the information in the parliamentary return which was made last session. This showed that on June 1, 1957 there were 39 people in this category of executive assistants, publicity assistants and personal assistants and that on May 1, 1960 there were 73. There have been some notable additions since then.

An hon. Member: No horses.

Mr. Pearson: Horses would have been cheaper than some of these people. In view of the nature of their duties, perhaps horses might have been as useful to the country. Indeed, notwithstanding the Minister of Public Works, so sensitive is this administration to the necessity of publicity and propaganda, to putting campaigning ahead of governmental administration, that one minister returned from a trade mission to Europe —he cut it short—for the purpose of a political mission at home. I should not like to say that without confirming it by the minister's own statement. The Minister of Agriculture, on November 15, as reported in the Winnipeg *Free Press* and other papers, said this. The minister has not denied this statement. He will accept it.

Mr. Fulton: Which other papers?

Mr. Pearson: The article reads:

> Agriculture minister Hamilton, at the request of Prime Minister Diefenbaker, cut short his recent visit abroad and cancelled his proposed selling trip to the iron curtain countries so that he could go out on the hustings.

Mr. Fulton: Which other papers?

Mr. Pearson: The article went on to say:

> But he cancelled that trip and hurriedly returned home arriving Monday in Ottawa. Tuesday he held a press conference. Asked why he did not go to the iron curtain countries as scheduled, he replied:—

This is a quotation from the minister at the press conference.

> "When the Prime Minister came back from Japan and before I left for Rome we had a talk.

He said there were other things that were more important and asked me to cut my trip to a week so that I could get out across the country."

The minister's experience as he gets out across the country is not particularly satisfying to him because he particularly, but other ministers as well, has complained, that the press was not giving sufficient publicity to the things he and his department were trying to do. On November 30 in Saskatoon he said this, and this is a rather interesting observation from a minister:

I don't think I'll ever believe implicitly in the truth of a news story again.

Then, Mr. Speaker, he gave an illustration to justify his disillusionment, one that was 100 per cent accurate. He said that this story had not been reported, but it had been fully reported by the Canadian Press news agency. However, undaunted at this rebuff the minister returned to the press charge in Victoria on December 2 and made this immortal statement:

There's a new type of newspaper man coming up...
who has no moral code and sense of objectivity.

The whole story of the relations of this government with the press is one of advances spurned and unrequited love. The main culprits, of course, are, however, not the press. The main culprits are the opposition. There would be no anxiety, there would be no criticism, there would be no misunderstanding at home or abroad over the Canadian government's efforts if it were not for the predictions of gloom and doom by the opposition which, as I have said before in the house, is a very flattering, if totally false, assessment of the influence and power of our words.

To show how false it is, perhaps I should put on record what I said on March 9, 1961 in this house with regard to the economic situation to be faced at that time. This surely is, at least in some respects, an answer to all these allegations and charges of doom and gloom. I said then, as found on page 2820 of *Hansard*:

When I talk about them—

I was talking about our problems.

—when I use the word "seriousness", I do not want anyone to think that this country will not eventually face up to and overcome those problems and once again remove that seriousness through expansion and growth. We have met very difficult and dangerous economic and employment problems before in this country and have overcome them, and we will overcome this one. But we will not do that in the way it should be done and in the time it should be done without strong, effective leadership and sound and strong policies.

Then, when we were having our debate on the budget last June in this house—and this is evidence of the hollow falsity of these charges of doom and gloom—we were talking about the gross national product and I said to the minister that I thought he was being too gloomy and too pessimistic in his predictions. I was wrong; he was not being too gloomy or too pessimistic. He was not being pessimistic enough, according to the returns that are coming in.

Mr. Fleming (Eglinton): That must make you happy now.

Mr. Pearson: I said then that I believed that the gross national product in current dollars would be higher than that estimated by the minister. Then, Mr. Speaker, at the beginning of the year I was asked to make a statement, as leaders of parties are often asked to do, by the Edmonton *Journal* on the prospects for 1962. I had this to say, and this summarizes our view on the position in which we in this country find ourselves, at least economically. I said:

We Canadians can start 1962 in a spirit of hopefulness. In saying this, I am assuming that the international situation will not further deteriorate, that the awesome threat of nuclear destruction will be lessened rather than intensified. If that is not so, no one can look optimistically to the future.

Then I went on to say:

...the general climate of the world economy is good. In these circumstances, we are the masters of our own fate. There is nothing to prevent us having a good year. It depends on ourselves, on our running our national affairs and our private affairs wisely, creatively, with vigour and decision. If we do not make good progress, it will be because we waste our opportunities, not because external circumstances deny opportunities to us.

Then I added these words:

Since last spring—

The spring of 1961.

—we have experienced a normal economic upswing from the previous recession. Unfortunately, this improvement has so far been modest and slow. Fortunately, we can expect the business recovery to gain more strength this spring and summer. Competent economic forecasts suggest that our national production in 1962 may well be between four and six per cent higher than it was last year. That is a welcome improvement in our prospects. But it is still regrettably little. After a recession, we ought to do much better.

And, Mr. Speaker, we should have done much better than we have done in the last four and a half years. The government is now boasting because there is this kind of recovery. Production, they say, is bigger than ever. Employment is higher.

Mr. Fulton: Mr. Speaker, may I ask the Leader of the Opposition a question because I am not sure I caught him correctly. Did he use the words, "after a recession we should have done much better" and, if so, is he admitting that the recession is over?

Mr. Pearson: No, I did not use any words that would justify that interpretation. I said that we should have done much better during the last four and a half years.

Mr. Fulton: I understood the hon. member to say that after a recession we should have done much better.

Mr. Pearson: If there is any doubt in the hon. gentleman's mind, I am glad he has given me the opportunity to remove it because the people of this country know when the recession began. It began in the summer of 1957.

Mr. Fulton: You said "after a recession".

Mr. Pearson: Because there is this doubt in the hon. gentleman's mind, I will take advantage of the opportunity to put some figures on the record in a few moments that will remove that doubt.

Mr. Fulton: What did you mean by "after a recession"?

Mr. Pearson: Was the recovery we have made in 1961 a miracle? What does the government expect? Are they still living in the dark ages, in the centuries when things stayed much the same? Do they not know that in Canada our population increases every year and that therefore our gross national product must go up every year to get ahead at all? Do they not know that Canadians use science and technology, that our corporations invest in new equipment and that technological progress every year enables us to produce more?

Of course our production goes up. The question is, how much? In four and a half years of Tory government it has gone up only by 1½ per cent a year on the average. Let the Minister of Finance deny that figure if he can. Of course, in some years production increases have not been as bad as in other years. Nineteen fifty nine was the best year. Production went up in that year by all of 3 per cent. The minister told us then that things were going to be fine. He was even tempted to say that he would balance his budget. But in 1960 things got worse again and, of course, Mr. Speaker, they are better now. However, each time in these cyclical fluctuations, each time this has happened, we have gone down farther than the time before and our recovery has been less. That is the long range danger to our economy in the kind of situation in which we find ourselves. Each time we do have this kind of recession we are saved from the worst consequences by the kind of social security and transfer payments that were instituted in this country under Liberal governments.

Mr. Fleming (Eglinton): May I ask the Leader of the Opposition a question? Is he referring to the $6 increase in the old age pension made by him and the other "six-buck boys"?

Some hon. Members: Forty six dollars.

Mr. Pearson: That is not a very bright observation by the minister. The minister is getting a little tired and his interventions are not now as sparkling as those to which we are accustomed.

Mr. Fleming (Eglinton): Would you care to answer?

Mr. Pearson: The question is, what about this time next year? If we get the same kind of Tory administration we have had for nearly five years, then we will be slowing down again, according to the economic forecasts of the experts, and without having come anywhere near solving our basic problems. The most basic problem of all is chronic unemployment. We would be back again to the only 2 per cent increase in production which we had in 1960. What would that mean? It would mean again growing unemployment; our economy working far below its capacity; missed opportunities for the people of Canada. It would mean the loss of millions of dollars worth of production which we could have had if only there had been a government capable of asking, capable of progressive, sensible, farsighted economic policies.

An hon. Member: You have got it.

Mr. Pearson: Let us see what has happened to the country in the last four and a half years, if we have it. Do these members on the front benches not know, Mr. Speaker, that throughout the post-war years with a Liberal government in office, production in this country increased at an average rate of 4.6 per cent per year? This was the average that we achieved over the whole period from the beginning of 1946 to the middle of 1957. If you take away those difficult years of reconstruction immediately after the war, the average is much higher, but to be fair I have included those years. The best this government could do in any year has been 3 per cent, which is much less than our average, and over the long period of four and a half years their average is only 1½ per cent. It is about one third of our average increase during a Liberal administration.

Mr. Campbell (Stormont): May I ask the Leader of the Opposition a question, Mr. Speaker?

Mr. Pearson: Yes.

Mr. Campbell (Stormont): Would the Leader of the Opposition give us the figures for the

increase in foreign investments in Canada, the taking over of our capital resources in the same period?

Mr. Pearson: Yes, Mr. Speaker. This will keep me a little longer, but if the hon. gentleman will look at the figures he will see that our position here has deteriorated also in this regard.

What has been the cost of the inability of the government to put into effect good policies which would have made for growth during this period? This is why Canadians today are without hundreds of thousands of jobs that they ought to have, that they have a right to have and that they would have if the rate of economic progress under a Liberal administration had continued. This is why the government goes more and more into debt, and why it cannot now afford to do a lot of things the country needs.

Now, they boast that 1962 looks like a better year. Is the kind of improvement we have had this year good enough for the government? It is not good enough for the Canadian people. The Prime Minister talks about faith in Canada. I say that to be satisfied with the probability that things are going to be a bit better is not faith in Canada. It is an insult to Canada. So is complacency about unemployment and satisfaction with one of the lowest rates of economic growth in the world. The Prime Minister and his colleagues boast about recovery when our production per person in 1961 is actually less than it was five years ago. He and his colleagues think a government with a record of that kind is good enough for this country. We Liberals have higher standards, more faith, more confidence in Canada. We know, because it has been proven before this government came into office, that Canada can achieve great things and that our economy can be the envy of the world. It was and can be again, and with a different government it will be.

Nevertheless, the throne speech makes the smug, complacent claim that, thanks to the government, our economy is recovering. Well, I am glad they said that. It clears the air. The government is taking credit for the recovery we have had. This recovery has not been the kind, I should think, that would make any government proud, but let them take all the comfort from it they can. Let them remember this, if they claim responsibility for the economy at one moment, they must assume responsibility for it at other moments. If they want the people of Canada to think that because unemployment is not quite as bad as it was last year, they are responsible, then whom do we blame for how bad it was before that and still is? The record, Mr. Speaker, is now absolutely clear. The government thinks that the state of our economy is something about which the government should boast. By its own admission, it is responsible, responsible not only for its talk but for the facts, the facts the Canadian people know. The economic slow-down, the decline in our production per person, the chronic unemployment, the lost production, the missing jobs, are all things about which the people know and are all the failures of these wasted years of Tory government. They are the cost of not growing.

No calculation is possible in terms of frustration, loss of human dignity, lessening of incentive and ambition on the part of those who have been unable through work to participate in what growth we have had. However, we may make a calculation in terms of financial loss. We find it in the figure of $900 million depletion in the unemployment insurance fund; we find it in the figure of $250 million spent as the federal share of unemployment assistance; we find it in the figure of $5 billion of goods and services lost in 1961 because of joblessness, more than $100 million a week.

May I continue the record of hard economic facts? I have been asked to put these facts on the record, and I am glad to do so. Expenditures go up and up. In the first eight months of 1961 alone, they are up 8.9 per cent. The Minister of Finance estimated last June they would be up 7 per cent. Revenues are up only 1.9 per cent, and the minister's estimate was 2.6 per cent.

Another hard fact is that while under Liberal government from 1946 to 1957 the national debt was reduced $2.4 million, under 4½ years of Tory government the national debt has increased by nearly $2 billion. Do not believe Tory spokesmen who tell you over the years that the national debt has decreased per capita, because it has not. In 1957, it was $664 per person, and in March 1961 it was $688 per person. I commend these figures to the Prime Minister.

Another hard fact is that taxes have increased along with deficits. It is a Tory fairy tale to say that they have not. Those who try to deceive us on this score must have guilty consciences. The Prime Minister, of course, promised to reduce them, and we remember that promise. The fact is that since assuming office the government has increased taxes by more than $150 million each year. During the last financial year, in spite of a quarter of a million increase in our population and a huge deficit, the per capita tax rose $12 to $190. The Prime Minister said he would reduce taxes by $120 per family, but he has increased them by $36.

Then there is the depressing and gloomy succession of deficits, not one of which was predicted by the minister in the terms that actually happened, including this year's deficit—

Mr. Fleming (Eglinton): Nor in the terms that you and your friends predicted.

Mr. Pearson: —which we are told is between $600 million and $700 million; and this at a time which he has characterized as one of expansion and recovery. If we allow $700 million for his deficit this year that is the average between his low and his high. This is the record. These are the facts. This is the cost. I give the budget deficits as follows, 1958, $38.5 million; 1959, $609.5 million; 1960, $413 million and 1961, $300 million; 1962, $700 million; 1963, (?). Then there is the depletion of the unemployment insurance fund, $900 million, depletion of the special defence fund $165 million, giving the total bill, the cost of "following John", as $3,126 million.

Mr. Benidickson: It wasn't worth it.

Mr. Pearson: Let it be remembered that there were deficits without development, debts without growth.

Perhaps the Minister of Finance will recall his own words in June, 1958 when he said:

> These huge deficits—

This was in 1958 after a period of Liberal surpluses.

Mr. Fleming (Eglinton): And deficits.

Mr. Pearson: I continue:

> These huge deficits ... carry serious implications ... for the future health of our country.

The facts are clear, Mr. Speaker, based on the experience of recent years. They provoke thought and they require understanding as a basis for sound policy and action in order to make the country progress. But there is no awareness on the part of the government of the serious, complicated and persistent nature of our economic problems which these facts reflect. The Prime Minister and his colleagues are too busy patting themselves on the back while they drag their feet, which is a very difficult gymnastic feat.

The results of these wasted years are now shown in the government's inability even to understand the problems confronting them, which is an essential foundation for doing something about them. The reputation of Canada and the government's reputation to look after its own affairs have gone down. People travelling abroad these days are a little depressed having other people ask them what has happened to Canada. The answer is that there is nothing wrong with Canada that a change of government won't correct. If the ministers are not aware of this situation, if they are not aware of these questions, then they are living in a fool's paradise induced by reading and believing their own propaganda.

Mr. Walker: You should go beyond Mexico.

Mr. Pearson: Most observers abroad who ask these questions are not influenced in their judgment by party or other subjective considerations. They are not members of a servile press. They are not influenced by opposition speeches or even government fairy tales.

Remembering that people on similar missions, when they come to Canada, spend far more time with ministers of the government than they do with members of the opposition, why, unless he was sincere in his analysis of the situation after a trip to Canada, should the editor of the London *Financial Times* write in May of 1961:

> Think back to the days when I was not alone in believing Canada to be the best-governed country in the world; when she was reaping unexpected dividends from the bleak and prospectless thirties.

Then, comparing conditions between the first and second decades that followed world war II, he speaks of:

> —a Canada which was confident and sure of herself and her destiny—

as against:

> —a Canada which economically is confused and almost apologetic; a Canada which led the world in growth and which attracted capital from the four corners of the globe—

and is now:

> —a Canada which is ranked behind even laggard economies—

Why should the editor of an English financial journal write like this?

Mr. Fleming (Eglinton): Because he does not know the situation in Canada.

Mr. Nowlan: How much was he paid for it?

Mr. Pearson: Are you going to blame that on a servile press? Are you going to blame the opposition?

An hon. Member: He does not know what he is talking about.

Mr. Pearson: Why should the responsible London *Times* feel on October 31 that it was necessary to give some reasons for the bad press Canada has had, and for the disillusionment about our country? The *Times* gave its own reasons, one of which was repeated and emphasized in its annual financial revue when it referred to the Coyne affairs as an "unprecedented and unseemly family squabble—a blow to the Canadian image".

Mr. Jones: They had the same thing in Britain in 1917.

Mr. Pearson: No wonder the Edmonton *Journal*, a paper friendly to the government, found it necessary to write on January 10, 1962:

> The consensus from other sources is that Canada's influence in international affairs is at a low ebb now.

Mr. Green: You are smearing Canada now.

Mr. Pearson: Why did the government not do something about the situation so that friendly editors would not write such criticism?

Some hon. Members: Hear, hear.

Mr. Pearson: Why should the editor of the Calgary *Herald*, which I understand is a paper constantly friendly to the government write on October 28, 1961 as follows:

> The present government has seriously mismanaged our monetary and economic affairs, and has also done harm to our country's reputation which it will take years to repair.

I find it painful to say these things, if only for the reason that I have so many good friends within the Conservative party, but it seems to me that somebody had better start saying them.

If this government had done as much for Canada as they claim, why should the former chief of the general staff, now the president of the Toronto stock exchange, say to the Empire club in Toronto on January 11, 1962, after three months in Europe:

> The British were sharply critical of Canada's opposition to the U.K.'s proposed entry into the tariff-cutting common market...
>
> The open dispute between former Bank of Canada governor James Coyne and finance minister Donald Fleming caused Europeans to feel Canadians must be an immature and juvenile people.

Well, Mr. Speaker, we are not immature, but the government is.

Mr. Fleming (Eglinton): I do not think he was giving his own opinion.

Mr. Pearson: As a people we are not immature and it is time to remove that impression by mature and efficient administration of our affairs. Let us correct these false impressions which make the members of the government so angry when they are repeated.

An hon. Member: You are the only one who is angry.

Mr. Pearson: That correction will not be made by this government. Nearly five years of inept and confused administration, with more emphasis on travel and talk than on thought and action, have shown that there is little hope for this.

As the London *Economist* put it on November 25, in an edition which referred to the "years of disillusionment since 1957":

> His—

They were referring to the Minister of Finance:

> —colleagues, even his Prime Minister, are so busy finding ingenious ways to conceal reality that even the Canadian public is utterly confused.

I do not know whether or not the Canadian public is confused, but the Canadian public is certainly disenchanted and disillusioned with the present government.

Look at the record of the past year: the Coyne affair; the policy regarding the United Kingdom and the European common market; nuclear confusion and indecision; continued heavy unemployment; the Columbia river treaty mess; the Quebec hospital scandals; the assault on the Senate.

We are told that everything is fine now. We are told that the government has carried out 50 of its 62 promises.

Some hon. Members: Hear, hear.

Mr. Pearson: Three quarters of the egg is good.

Mr. Nowlan: Who is your speech writer?

Mr. Pearson: With regard to these promises, the numbers game is of course an amusing diversion. I should like to inform my friend the hon. member for Bonavista-Twillingate (Mr. Pickersgill) that we are all trying to help him—

An hon. Member: He needs it.

Mr. Pearson: —and there was another promise made last Saturday afternoon, to the effect that the national press club might be called "royal". However, these interesting and amusing diversions—

Mr. Fleming (Eglinton): Do you disapprove of that?

Mr. Pearson: I do not think this is a matter of such great importance that it is necessary for me at this time to express my view one way or the other. This numbers game is an amusing diversion, but the promises that really matter and which the Canadian public will not forget are these basic, fundamental promises. First, to give good, steady and efficient administration of the nation's business; second, to ensure that no Canadian would suffer from unemployment; third, to put and keep our economic and financial affairs in good order; fourth, to reduce taxes and interest rates; fifth, to reduce government spending; sixth, to eliminate waste and extravagance in government; seventh, to balance

the budget; eighth, to increase Canada's prestige abroad. Not one of these promises has been carried out.

Mr. Benidickson: That is the record.

Mr. Pearson: Presumably they are included in the 12. However, we on this side of the house do not lose any of our faith and confidence in our own country and people because of the ineptness and confusion of the government of the day. We Liberals have a deep and abiding faith in our country, confidence in its destiny and hope for its future in a world at peace.

We Canadians have been facing grave problems in recent years and we will continue to do so. We criticize the government for not even being aware of any of these problems. If it is not aware of them, how can it effectively deal with them?

There are deep-seated problems. Only a fool or a blind partisan would deny this and try to give the impression that if it were not for speeches of the opposition or a few press articles, everything would be fine in this country and our people would really appreciate what a good government is doing for them.

Every fair-minded Canadian must admit that there has been economic slowdown; that there has been massive unemployment, tight money, higher prices, huge deficits. I know that these problems are complicated and deep-seated. I know that in some cases they are unique and unprecedented and that there is no single or easy solution for them.

But I also know that hard, fresh thinking is required if we are going to find that solution. What is required is action by government based on wise and planned policies, not on political illusions or outmoded ideas. Above all the people must be given a full and frank assessment of our problems, of our position at home and in the world, and they must be told what is expected of them.

With a sound and steady government—which we do not have now—with farsighted plans and policies, with leadership which puts national interest above party advantage, Canadians can solve their problems today as they have solved them in the past. Challenge, sacrifice and hard effort are all part of the Canadian tradition. Give them a chance and Canadians will, as always, be worthy of that tradition. Canadians will be given a better chance, Mr. Speaker, after the next election. May it come soon.

Mr. Speaker, I therefore move, seconded by the hon. member for Laurier (Mr. Chevrier), that the following be added to the address:

> We respectfully affirm that Your Excellency's advisers, because of their continuing failure to bring forward policies to deal with the real problems confronting this country, do not deserve the confidence of the House of Commons.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, between now and six o'clock I have but a very short time to commence my reply to the lengthy speech we have listened to, in which distortion and confusion have played so large a part. I intend to be as gracious as I can, but having listened to the hon. gentleman this afternoon I can only say that those in the Liberal party who have been saying that the greatest weapon we have is the Leader of the Opposition (Mr. Pearson) have not been speaking without authority.

I have followed the hon. gentleman in the press as he has made his various speeches throughout the country. I recognize some of the words he used today—somewhat diluted in the House of Commons; somewhat more restrained than they have been in the country—and I intend during the time at my disposal to deal with some of those allegations, in particular with the matters he has spoken of this afternoon.

However, I cannot understand the leader of a great party smearing his country as he has done. We can disagree as to economic conditions but when it comes to the type of language used by the hon. gentleman this afternoon, speaking of those great days of the past I cannot understand it. May I quote for his edification—because after all, I sent out for this while he was speaking—words written by one who is recognized as a devotee of the Leader of the Opposition, Mr. Michael Barkway. He does not like us, but this is what he has to say in the Waterloo *Review* in the summer of 1960 about those of whom the hon. gentleman has spoken so highly—the members of the government of which he was a member. Mr. Barkway says this:

> I am one observer who lived through the period in Ottawa and find the memory both poignant and painful.

He was speaking of the period from October 1955 to June 1957. The article continues:

> There were times in those 20 months which were shameful. They were always foreboding; a Canadian Gotterdamerung, unrealized or misunderstood by its principal actors ... By October, 1955, the cabinet was unhappy and rudderless.

You can get some great words from this article I suggest to the Leader of the Opposition. Let me continue:

> Its self-preoccupation largely detached it from public sentiment. It was giving first priority to the difficult task of hanging together. In June 1957 at the end of the period covered by Dr. Eayrs' book, it accomplished the task in a manner which few of its ministers had thought conceivable; nine of them mounted a common gallows.

The writer then goes on to speak about those wonderful days when Canada had such an international reputation. Let me read this passage:

It would be valuable above all to have a complete picture of the way Canadian relations with the United States were handled. Dr. Eayrs most properly devotes the longest chapter of his book to this subject. It is sandwiched between an account of the travails of the truce commissions in Indo-China and a spine-tingling tale of Mr. Paul Martin's efforts at the U.N. assembly of 1955 to secure the admission of new members (which loses nothing of excitement by drawing heavily on Mr. Martin's own version of it).

That is what hon. gentlemen opposite want us to go back to. Let me read what Mr. Barkway has to say a little further on:

Examples of the confusion and mismanagement in this most vital area of foreign policy could fill a book. In this small compass, and with necessarily incomplete knowledge, it may be best to indicate some of the unpublished background to just three of the problems Dr. Eayrs deals with.

Mention was made by hon. members of the opposition a few months ago of the Columbia river. What did Mr. Barkway have to say about that?

The most graphic are, perhaps, the Columbia river, continental defence, and economic affairs. On major economic questions the Department of External Affairs could do little between 1955 and 1957 except to tag along after Mr. Howe.

What a picture of those latter days is revealed here. Reading on, we find this:

On defence questions it could occasionally mitigate the effects of the armed services' bargains with Washington, but more often had to salvage such traces of decency as a man may gather to himself after losing his shirt and pants in a poker game.

I am reading from one of the pundits of parliament.

In the early Columbia river negotiations it obstructed and very nearly ruined the defence of Canadian interests which General McNaughton maintained almost single-handed.

Then the article goes on to say this in reference to another question:

The worst of it, which has never before been told, is that the draft note which Mr. Pearson and Mr. St. Laurent both approved did not merely question the adequacy of the 1909 treaty: it actually said that it was *not* adequate to deal with the Columbia case. There can seldom have been a more timorous or unnecessary surrender.

Those were the days to which hon. members opposite wish us to return, the days when Canada's image, as a result of the attitude taken by the opposition in joining with the government in maintaining that image, was known all over the world. There was not any of this smear operation.

If the opposition want any more read I can read a number of further pages on the subject.

Mr. Pickersgill: Go on.

[Mr. Diefenbaker.]

Mr. Diefenbaker: I think I have read enough to indicate a complete answer. Those who would like to read more will find a copy of the magazine, I understand, in the library.

I will have a word to say regarding the mover and seconder of the address—and I shall enlarge on that—but there is one matter to which I wish to refer particularly at this time. It was not dealt with by the hon. member for Algoma East and understandably so. In accordance with our Canadianization policy, one of the things we did shortly after we took office was to set up a royal commission known as the O'Leary commission. Speaking of royal commissions, there was a reference by the Leader of the Opposition to the number of royal commissions we have set up. I have not the exact figure in mind but my recollection is that we have set up some 13 and that the Liberal party in the same period of time set up 12.

Royal commissions are set up for the purpose of securing information and making recommendations which, by reason of the complexity of events, would be impossible to secure otherwise. We set up this royal commission, and in the few moments at my disposal I intend to place before the house and the country the recommendations we intend to implement. But do not let the Leader of the Opposition run away with the idea that I shall not be back at eight o'clock in order to deal with some further matters.

On June 15, 1961, I tabled in the house the report of the royal commission on publications. Since then there has been time for a mature and searching appraisal by the government, and by the public, of the conclusions and recommendations of the commission and the information and argument on which they are based.

The commission, in vigorous and persuasive language, calls our attention to the unique role that Canadian magazines play, or ought to play, in our national life. The report states:

So far as the printed word is concerned, it is largely left to our periodical press, to our magazines big and little, to make a conscious appeal to the nation; to try to interpret Canada to all Canadians, to bring a sense of oneness to our scattered communities. It is but necessary to note the veritable deluge of United States publications submerging Canadian print on our newsstands to understand the magnitude and, in the past, the impossibility, of their task.

So pervasive, indeed, is this penetration, so obviously fraught with social and economic consequences, no examination of any aspect of Canadian communications can fail to take it into account. Here, inescapably, is the stuff of national concern.

The commission then proceeds to examine the case made by publishers of Canadian

magazines that they are suffering from "inequitable competition" in a variety of forms. These forms are too numerous to discuss in any detail today.

Mr. Hellyer: Will the Prime Minister identify the document from which he is reading?

Mr. Diefenbaker: They include the various advantages of foreign publishers: their ability to conduct circulation campaigns in Canada as a by-product of their domestic campaigns, their control of Canadian newsstand agencies and their special postal arrangements. There has been an accelerating tendency for Canadian advertisers to place their business with foreign rather than Canadian magazines as a means of covering the Canadian market. Foreign publishers have succeeded in extending and intensifying this practice through the production of so-called Canadian editions, special editions, Canadian sections, split runs, and similar devices. While the commission does not accept all of the arguments of the Canadian publishers, it strongly upholds the general claim that present conditions of competition are unfair to Canadian magazines.

The commission concludes that a genuinely Canadian periodical press can exist only by assuring for Canadian publications, under equitable conditions, an adequate share of domestic advertising. They define a Canadian periodical as follows:

> A Canadian periodical is one published in Canada, owned either by Canadian citizens or, if a corporation, by a company incorporated under the laws of Canada or of one of its provinces, and which is controlled and directed by Canadian citizens and is not a licensee of or otherwise substantially the same as a periodical owned or controlled outside Canada.
>
> A Canadian periodical is (also) one edited in Canada by a staff normally resident in Canada, its typesetting (in whatever language) and its entire mechanical production must be in Canada and its publication must be from a place or places within Canada.

In applying this conclusion, the commission makes two main recommendations:

(1) That periodicals containing advertising that is primarily directed to the Canadian market be no longer permitted to enter Canada from abroad.

(2) That the deduction from income by a taxpayer of expenditures incurred for advertising directed to the Canadian market in a foreign periodical wherever printed be disallowed.

It is the intention of the government to implement the first of these recommendations; that is to say, the government proposes, in due course, to prevent the importation of periodicals containing advertising that is primarily directed to the Canadian market. This will not in any way interfere with the continued importation into Canada of the many magazines that are printed and published abroad and that carry advertising that is primarily directed to their own home markets. It will, however, prevent publishers of magazines in other countries from preparing, as a by-product, and sending into Canada, adaptations of their magazines in which they carry advertising directed to the Canadian market.

As for the second major recommendation of the report, it is the intention of the government to implement it but with an important modification. If this recommendation were implemented without a change the result would be not merely to prevent the future establishment in Canada of foreign-owned, foreign-edited periodicals, but to put an extremely heavy, they claim, burden on those which have already been established here. The latter, in that they import most, if not all, of their reading matter as a by-product of their parent magazines abroad, have an unfair competitive advantage over their Canadian competitors; and this advantage must be offset. On the other hand, they have established themselves in this country in good faith, they employ Canadian labour, and they attempt to supply Canadian readers with a specially adapted product.

Accordingly, in applying the recommendation that advertising placed in non-Canadian magazines be no longer deductible as an ordinary business expense for tax purposes, the government will introduce an important, although partial, exception. As a general rule, the recommendation will be applied, and this tax change is expected to make it unprofitable to initiate the publication of any new by-product magazines in this country. However, there will be an amelioration in the case of non-Canadian magazines that are already, as of today, published and printed in Canada, and that are or will shortly be carrying on editing operations in this country. When Canadian advertisers place advertisements in these latter magazines, their advertising outlays will continue to be deductible expenditures to the extent of 50 per cent. In other words, half the burden proposed by the royal commission will be removed from those non-Canadian periodicals that have established their operations within this country.

Both these recommendations, that relating to imports of Canadian-directed advertising and that relating to advertising in non-Canadian magazines, are of a fiscal nature. I make this announcement now so that adequate time, in all fairness, will be given for all existing plans and contracts that are normal and reasonable to be completed.

Nevertheless, the announcement I am making at this time will give immediate encouragement to Canadian magazines. All advertisers interested in reaching the Canadian

market through the periodical press will, from today, be laying their plans in ways that will give greater and more assured support to the truly Canadian publications.

The government has considered the relationship between the recommendations of the royal commission and our commercial obligations to other countries under the general agreement on tariffs and trade. The commission establishes very clearly that the issues at stake, both in regard to imported magazines that carry Canadian advertising and in regard to the non-Canadian magazines that print and publish in Canada, are not essentially of a commercial character but go into the very fabric of our culture.

Mr. Hellyer: You are reading your speech.

Mr. Diefenbaker: Nevertheless, we are not unmindful of our international obligations and will carry forward the appropriate consultations in regard to the lines of action upon which we have now decided, with any other governments that may be concerned.

In conclusion I wish to emphasize most strongly that our proposals involve, to use the language of the commission, "no interference with editorial comment, no tax on ideas or information, and no actual interference with readership preference". Under these proposals the right of all Canadians to subscribe to, or buy at the newsstands, the magazines of their choice, will be fully maintained.

Mr. Hellyer: Six o'clock.

Mr. Speaker: I hear an hon. member say "six o'clock". I take it that the Prime Minister has only a paragraph to finish. Does the house accord him leave to finish it?

Some hon. Members: Agreed.

Mr. Hees: "Six o'clock" has been called.

Mr. Speaker: I take it that the house has given leave to the Prime Minister to finish, if he wishes to do so.

Mr. Diefenbaker: Then I conclude with these words. Thanks to the studies and recommendations of Mr. O'Leary and his colleagues, we shall be putting before this house, in due course, measures that will offset the competitive handicaps under which Canadian periodicals have been labouring, while fully protecting the reading preferences of the public and fully preserving the freedom of the press.

At six o'clock the house took recess.

[Mr. Diefenbaker.]

AFTER RECESS

The house resumed at 8 p.m.

Mr. Diefenbaker: Mr. Speaker, I shall now deal in general terms with the subject matter of the amendment and also with the several matters to which the Leader of the Opposition alluded, leaving to my colleagues in the several departments the responsibility of going into greater detail in answering many of the generalities which characterized the remarks of the hon. gentleman. However, I do follow him in his courteous reference to the mover (Mr. Bourdages) and seconder (Mr. Browne, Vancouver-Kingsway) of the address in reply to the speech from the throne. He stated that the course he followed was traditional but none the less a necessary course to be followed in the House of Commons. Indeed, the hon. member for Laval and the hon. member for Vancouver-Kingsway, young men in their early forties and members of this house for a number of years, discharged their responsibilities in a manner that deserved and merited the congratulations of all. I can think of nothing more difficult and no position more trying than that of being the mover or seconder of the address in reply to the speech from the throne.

The Leader of the Opposition dealt in a generous way with by-elections and the like, not federal by-elections because you will remember there were four not so long ago which the prophets in the opposition said they were going to win. They came back with one of the four they anticipated. In any event, I should like to draw the attention of the house to the attitude of the late Right Hon. William Lyon Mackenzie King as recorded by Boswell. It is interesting to read something of that mythical dissertation which was interrupted recently. I think it would be a great benefit to history if it were permanently interrupted but it is not going to be. This is just an interim break. But it is of interest in reading "The Mackenzie King Record" to see these words recorded by the hon. member for Bonavista-Twillingate (Mr. Pickersgill):

> On August 9, the government had lost four by-elections and on the way to the Citadel from the station, Churchill told Mackenzie King he hoped "the by-elections are not causing you worry". I said I had expected to lose all.

Then Churchill explains the reason. He said:

> "My experience is that by-elections don't mean anything when you come to place a really large issue before the people." At another time he referred to the by-elections as a fire started on ice, that it blazed up very much at the beginning, but did not necessarily spread ... went out after a while.

Having regard to the experience we have had in by-elections, I can only say that our personal experience in days past was that we won the by-elections but when we came to the general elections we were not so successful.

I was quite interested in the dissertation of the Leader of the Opposition regarding the cabinet, my colleagues surrounding me, and his horror at the fact that he had read some place that there was division amongst us. Well, as I look at my colleagues and down this front bench I do not see any changes since 1957. I can only say that the exaggeration that was given to recent incidents had no basis in fact and that the unity among us is, as always, strong and I know, most effective.

In any event, and I cannot quote from the work of the hon. member for Bonavista-Twillingate because he has not got that far yet, I will be interested in finding out what is said with regard to November, 1944 in the treatise on Mr. Mackenzie King when that particular period is dealt with. I hope that those of us who know the facts as they were will find the truth set out in the volume in question, and I can tell the hon. gentleman that we in this party have never had anything like the manner in which that great Canadian patriot, Ralston, was treated in 1944 at the time he was pushed out of the cabinet.

Mr. Pickersgill: Better tell us about Mr. Stevens too.

Mr. Diefenbaker: Well, as soon as the hon. gentleman is hurt you hear from him. I intend to make some general references to the speech from the throne now. Without exaggeration, I think that the Leader of the Opposition today put both feet down with boldness and imagination and on both sides of several questions. He was short on facts and long on adjectives. I am not going to follow him in his adjectival self-delusions. However, I will say this. I am going to try this evening to unravel, if I can, some of the knots of absurdity and incongruity. This speech was not one which was equal to the efforts he has made in the past. I was somewhat disappointed in it in some particulars. He was dealing with many of the things he has said over and over again from one end of Canada to the other.

He stayed away from the speech from the throne, except to make a general reference to it. This general reference did not betray the knowledge of British constitutional practice and the difference between that practice and the practice in the United States that I would have expected. After all, he had experience in Washington. He endeavoured to compare the speech from the throne to the state of the union speech delivered by the President of the United States. There is no similarity whatever. He criticized the speech from the throne in that it did not have, and I borrow these words from the hon. gentleman, "bold and imaginative words." I have heard that statement over and over again, and I intend to deal with some of these bold and imaginative stands.

I have before me the Queen's speech given in the United Kingdom on October 31. I find that it is approximately four columns in length. It refers in a very matter of fact manner to some of these questions with which we are dealing here. It starts off by referring to the visits of the Queen; the welcome to the United Kingdom of the president of Indonesia; the support of the government of the United Kingdom for the United Nations; the improvement of relations between east and west, which remains the primary object of the government's policy; discusses negotiations in the North Atlantic Treaty Organization; refers to the Geneva conference on Laos; refers to South Africa and the change in the relationship. Then, concerning the European trade question, it says the government will make every effort to bring those negotiations to a successful conclusion. There is a reference to certain legislation that will be introduced, and then the speech contains an omnibus section at the end to the effect that other measures will be laid before the house in due course.

This is the style that speeches from the throne have followed throughout the years in the parliament of Canada. This is not an exhortation, as is the state of the union address in the United States, to a congress that is removed from the president. This is simply a statement of the bill of fare which is to be brought before parliament.

I am going to make one or two references in general to the speech from the throne, and mention that it deals with the international situation. I do not know what we are expected to do other than put the facts before the House of Commons. Mention is made of the recommendations to work out some of the purposes of confederation and identify more clearly the Canadian nationality. Mention is made of the royal commission on publications and also of the constitutional conference which was held with representatives of the various provinces.

Then there is the question of redistribution, and I noticed the hon. gentleman stayed away from that. He made no reference to the fact that this provision would remove politics from redistribution, and I think it must have been a guilty conscience that caused him to

make no reference to this fact. In regard to the economic situation, the steps that have been taken and are being taken answer his repeated question, "what has been done?" As an indication of the fact the hon. gentleman has not read this portion of the speech from the throne, I read this paragraph:

> Comprehensive measures to put into effect my government's economic policies were enacted in preceding sessions of this parliament. The benefits flowing from these policies are now evident in record levels of employment, of production, and of export trade. There has been a substantial improvement since last year in the unemployment situation. As the result of the efforts of my government through its municipal winter works incentive program, notable progress has been made in meeting the recurrent problem of seasonal unemployment.

So far as training is concerned, those who are unemployed and unable otherwise to secure work can take advantage of a program that has been launched in Canada and which today is being imitated in the United States of America. This will ensure young men and women as well as older men and women of an opportunity to obtain the technical knowledge and technical training, without which employment becomes very difficult to obtain.

Then there was mention of the university grants. I am surprised that no reference was made of that. After all, during the election campaign of 1958, the hon. gentleman referred to this matter. He speaks about dollar marks being placed on promises. On the one hand he condemned deficits and on the other hand he went ahead with promises that would multiply the expenditures of this country by hundreds of millions of dollars. In that year he was in favour of a scholarship system financed by the federal government. Oh, it was going to be the most comprehensive system that was ever brought into effect in this country. Where is that scholarship system now? He has been silent about it since he made his speech in Quebec when he altered his entire plan. Mr. Lesage was not at the convention in Ottawa in 1961. He was away for personal reasons, but he is now in Quebec city. At the time of his speech, therefore, and for the first time, the Leader of the Opposition suddenly saw the light and came to the conclusion that it is most necessary to uphold the constitution. Since that time, he has said nothing more about the university courses or training or promises of scholarships.

In addition to that, he has departed from the principles that were enunciated at this meeting in January, 1961 whereby cost sharing programs between the federal government and provincial governments were to be discontinued if his party were to come into power. It is a most interesting thing that there is no reference to these questions that were of such paramount importance in 1958 and also at the convention here in January, 1961. We still believe in the necessity of federal assistance to universities. We still believe that in the world today in the face of the challenges to the free world by the communist world and the fact that Khrushchev has said that by 1986 he will have been able to destroy the free world economically, there is a necessity for assistance to universities.

We intend, as we state, to ask parliament to increase the federal grants to universities. We increased them up to $1.50 per capita since taking office, and we intend, if parliament accedes, to make a further increase of 50 cents per capita, bringing the total to $2, and to make suitable provision in those cases where alternative arrangements are made for supplementary provincial grants in lieu of federal grants. It is interesting that the hon. Leader of the Opposition stayed away from that subject because after all, Mr. Speaker, one must be bold and imaginative. You know the new slogan with which they are littering the country, "the Liberals have the answer." They had the answer. I intend a little later on to return to this, as my hon. friend often says, in order to point out what the answers are, who has the answers, and who among them agree on the answers.

I am surprised the hon. gentleman could not have made some reference to the other place. What he did say was just a passing mention but, Mr. Speaker, I remember the day when Mr. King went forth in shining armour to reform the Senate and he got resignations signed in anticipation by the appointees. There was a great election campaign on that subject but we never heard anything more about it. You know what the reform slogan was: live Grits for dead Tories.

Some hon. Members: Hear, hear.

Mr. Pickersgill: That is our slogan for the next election.

Mr. Diefenbaker: We have not seen a live Grit since.

Mr. Pickersgill: That is our slogan.

Mr. Grafftey: Where are you going to get the live ones?

Mr. Speaker: Order.

Mr. Diefenbaker: If they do not show more life than they have for the last four years we know exactly what the consequences will be. I also noticed, Mr. Speaker, that when he was talking about an election the hon. gentleman's voice was softened and became almost inaudible. We heard this talk in 1958 and

the challenges which were thrown then. Yet when we gave them an election what did they say? They cried "We don't want it". You remember the famous amendment of 1958—"Give us back our jobs." It is wonderful how history repeats itself. Today they come out with an innocuous amendment that is general enough to suit even the hon. member for Bonavista-Twillingate. This time there are no particulars. It is simply a generalized statement without any material basis to support it within the amendment.

So far as the Senate is concerned there are many possible suggestions as to what might be done. There is the suggestion of compulsory retirement with an age limit. There is also the suggestion that the Senate might be deprived of significant legislative jurisdiction, whatever the vestigial remains might be, with regard to money bills. There are many other possible suggestions. There is also the question of tenure. All these matters will receive consideration when the subject comes before the house, and when we discuss seriously a matter that has been of a general and widespread interest down through the years.

Mr. Pickersgill: Would the Prime Minister permit a question?

Mr. Diefenbaker: No.

Mr. Pickersgill: The answer is no.

Some hon. Members: Sit down.

Mr. Diefenbaker: The hon gentleman will remember how often that answer was given when he sat over here. That is the answer we always got.

Mr. Pickersgill: So long as we know the answer is no.

Mr. Diefenbaker: I might recall, Mr. Speaker, that when I used to live on a farm in western Canada we had bears around and I remember an old farmer saying to me: "When you are out hunting bears don't allow yourself to follow rabbit tracks." I know that this will be one of the matters which will be discussed in recognition of the need for making parliament stronger, more efficient and more effective.

Now, sir, I wish to deal with the subjects in the order in which they were mentioned by the hon. gentleman. He spoke of foreign affairs and dealt with that matter at some length. I was quite interested in the views that he expressed because, after all, down through the years we have endeavoured to bring about a high degree of unity within our country on our international affairs and relations. Over and over again, when we were on that side of the house, we referred to the hon. Leader of the Opposition in eulogistic terms for the stands he took on behalf of Canada.

Mr. Pearson: Especially over Suez.

Mr. Diefenbaker: It must be a guilty conscience. He could not keep silent. I was speaking generally, and the hon. gentleman has referred to one example. Even he could not be totally perfect. As I mentioned a moment ago we endeavored to bring about a high degree of unity and I could not understand this afternoon why he, obviously not in a spontaneous remark made on the spur of the moment but as the result of intensive preparation, went out of his way to make personal and disparaging references to this country internationally and the manner in which, inferentially if not directly, the Secretary of State for External Affairs has discharged his responsibility.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I find that difficult to understand. That must be the new Pearson, the new Liberal party, the new image. But let me point out these facts, and I know the Secretary of State for External Affairs will have something to say in this regard. Generally speaking, I think Canadians highly regard the manner in which the minister has discharged and carried out his duties.

Mr. Speaker, in order to build yourself up in your own image you do not have to disparage others, and that disparagement—

Mr. Pickersgill: Look in the mirror.

Mr. Diefenbaker: —was the one point in his speech where I felt that while it was the voice of the Leader of the Opposition, the handiwork was that of someone else.

What was done at the last session of the United Nations? The earlier initiative toward world wide research in radiation was advanced and supported. Strong objection was taken by the government of Canada to Soviet nuclear tests and efforts were made unceasingly toward securing the resumption of disarmament negotiations.

In so far as the spread of nuclear weapons was concerned, we took our stand strongly and effectively. We gave support to a policy which we ourselves advanced four years ago regarding the control of outer space. We have taken our stand against the troika principle and strong support for the new acting secretary general of the United Nations came from the Secretary of State for External Affairs. In the light of the events of the last few weeks, what U Thant has done has shown him to be an outstanding secretary general of the United Nations.

In addition to that we took our stand with regard to the question of the financing of the United Nations. I am not sure that in the days ahead, however, consideration should not be given to this question, to the end that nations that are not making their contributions should be required to come more effectively within article 19, which reads:

A member of the United Nations which is in arrears in the payment of its financial contributions to the organization shall have no vote in the general assembly if the amount of its arrears equals or exceeds the amount of the contributions due from it for the preceding two full years.

There should be no free riders in an international organization designed to maintain and preserve peace.

In addition to that, when I listened to the hon. gentleman today speaking with such disapproval of what this government had done internationally and saw the shame that came to his cheeks as he felt the loss of the international stature of Canada, I can only say that he must have gained that in Acapulco, because wherever I have gone I have found that Canada's international position is now, and has been through the years, among the first in the nations of the world.

In addition to that there is the initiative taken in connection with the world food program which brings honour to Canada. We endeavoured to bring it about as far back as December 1957, within NATO. Through the years we have continued to advocate the need for such a body, but we had not been able to achieve it until this year. The plan which was advanced by us four years ago has been altered very little. That plan has been accepted by the United Nations and under it Canada intends to make her contribution and to play her part to use that institution not only for the removal of overhanging surpluses but to alleviate human suffering.

The hon. gentleman asks, what have we done? I cannot understand his asking that question. As far as the Colombo plan is concerned, we increased the contribution from $35 million to $50 million a year, and it has been so for the past three years. We have made it effective for a period of three years.

What has Canada done? I could understand this criticism coming from someone else, but not from the Leader of the Opposition.

In answer to the question, what has Canada done, I would say, what about her contribution in the Congo; what about her contribution in the Middle East; what about her assistance in the Far East? Wherever in the world there are international organizations and Canada has been asked to take her part, she has taken her part and will continue to do so in the years to come.

We thought that was beyond party politics, but today the hon. gentleman, for reasons known only to himself, dared to stand up in parliament and deprecate this country and its international position. It is beyond me to understand the particular variety of political chivalry that would impel one to do that.

Some hon. Members: Shame.

Mr. Diefenbaker: The hon. gentleman laughs. I ask him, what did he mean by his statements this afternoon? Are we falling down with regard to NATO? Our contribution to NATO has been enlarged. One does not want to boast within his own country but I can say that our contribution to NATO, relatively speaking, places us in the forefront of the nations that compose that body, the greatest defence we have.

Then the hon. gentleman said that this country was against Britain. I remember when he sat over here that year after year, as he made his annual report as secretary of state for external affairs, no ordinary microscope could find any reference to the commonwealth. Our attitude to the commonwealth is that this body represents the greatest instrument for peace anywhere in the world. It covers all the continents and brings together men and women of all colours and races. It does this effectively. I will deal with further aspersions in that connection when I refer to the common market.

There was also a reference to the effect that this was the 44th anniversary of the independence of the Ukraine. We did not have to be told that. We brought that before the United Nations. All through the years the hon. gentleman did not deal with that question there.

The hon. member for Essex East (Mr. Martin)—I do not like to refer to him in his absence—has also discovered the problem now, because only a few days ago he made reference to the fact that the suggestion I made some time ago, that there be a resolution brought before the United Nations at its next session, should not be delayed that long but should be raised at this time. The reason it has not been raised at this time is that there were already one or two resolutions on this subject, and it is necessary to have the support of other nations throughout the world in order to bring in such a resolution if there is to be any effective action taken by the United Nations in regard thereto.

We took our stand—and it was not a popular one at the time—in September, 1960, when I had the privilege of speaking at the United Nations. After Khrushchev had come out in favour of self-determination for all the peoples of mankind I called upon him in the

name of fairness, justice and equity and in pursuance of the principles of the United Nations to make it possible for those captive peoples under his control to be given the right to self-determination. That is the attitude which this party has taken throughout the years. We are glad the need for action in this regard has suddenly been recognized in these last few months by those who for many years in the United Nations, knowing of the situation and having heard the calls of these people, never at any time raised a voice on their behalf.

With regard to east-west relations, the Leader of the Opposition has spoken of the seriousness of world conditions and he has done so with that knowledge which experience brings and which his associations through the years make possible. I think we can say that while there is at the moment a lull, nothing has taken place in recent weeks which would lead one to believe that the problems which face us in our relationship with the U.S.S.R. have greatly diminished.

The United States ambassador in Moscow is now engaged in probing Soviet intentions regarding Berlin. In Berlin the west wants certain guarantees and undertakings from the Soviet union. A basis for negotiations exists if the Soviet union really wants a settlement. Negotiations, as I see it, could ultimately benefit both sides and would certainly reduce the dangers of war which have arisen as a result of Soviet pressure on the city.

What are the factors which have caused the hot and cold tactics to which we have been subjected during the past three years? It may be the answer is that we are no longer dealing with a monolithic organization nor with an absolute dictator on the Stalin model but that we are dealing with a communist world in which decisions result from complex pressures and in which the decision of one man or one group, or even of one country, does not always prevail. In these changed circumstances we should recognize that the Soviet challenge is different from that which we faced ten years ago and that western policies must be adjusted accordingly taking full account of political and economic as well as military factors.

It is not likely that any of us need be warned against acquiring a false sense of security from the divisions, the schisms, which have appeared in the communist world, where they are known, I think, as heresies. The communist world is divided against itself today. But though they are divided among themselves they are united in one thing, and that is their unity against us. Their dispute is about means, not about ends, and we would be running grave risks if we were to base our policies on the assumption that the communist world is crumbling.

As I see the picture—and the Secretary of State for External Affairs will deal with this in detail—the task of the west today is to pursue a steady but not rigid course, watching the adversary closely but without being deflected by his Pavlovian tactics. Our aims in Berlin are clear. They are reasonable. The western world intends to maintain them, not just in the interests of West Berlin but because they have a wider significance as a test of western resolve to fulfil its pledged word. The Soviet government has before it an opportunity to demonstrate its good faith and willingness to bring about a removal of those difficulties which have separated us.

Of one thing there can be no question. The only places which become danger spots are those chosen by the U.S.S.R. or its communist assistants or associates.

The hon. gentleman mentioned the question of nuclear arms, a problem which has affected all the nations in the western world. This is a subject which I hope will be debated and discussed at length. But I want to make this very clear: there has been no dilatory action on the part of this government. We made our enunciation of policy as far back as 1959, clearly, definitely and absolutely. Since that time we have continued in that policy, and when the debate takes place on international affairs we shall deal with this matter and point out at the same time the tremendous cleavage and schism which exists on this subject within the ranks of the opposition despite the fact that in this regard the advertising represents the Liberals as having the answer. I should like to hear that answer some time expressed without equivocation. I think that anyone who has had the privilege of reading the interview one page long given by the hon. member for Bonavista-Twillingate to the Windsor *Star* a few days ago, will wonder who was speaking about whom and what the policy is with reference to this and several other matters.

Now I might pass on to the next problem that is, the economic one. I must say I felt a degree of sympathy for the Leader of the Opposition today.

An hon. Member: He needed it.

Mr. Diefenbaker: I believe in extending sympathy even if they think they do not need it when it is apparent that they do need it. It is an awful thing; for four long years they have been preaching doom and gloom. But they do not want that mentioned. They have gone across this country and spoken

about the degradation of our country internationally and economically. What about parliamentarily? No, they do not talk about that. Do hon. members recall the reference the Leader of the Opposition made to that? He said: "Here is something about old stuff". That was about the opportunity for parliament to remove the closure procedure. He may think it is old stuff, but we who sat on that side of the house during the days when parliament was trampled on do not regard it as old stuff. He asks: "Why haven't you done it?" We are now giving parliament the opportunity to carry out that which we said would be placed before it. But what if we had not believed in the necessity of not applying closure? There have been times when everything has been done on the part of the opposition to bring it about, that which as long as this government is in power, will never be visited on the House of Commons or on free speech within this house.

I am going to refer to the economic situation. They blame us for everything today. Internationally, it was a sordid picture. Economically, where was the country going, the Leader of the Opposition asked. Well I intend to make some references to recent press statements after having dealt in general with the economic situation within our country. The detail will be filled in by the Minister of Finance and others who will follow.

The hon. gentleman blamed us today for lower productivity per individual. That was a new accusation. According to him we are to blame because men today are not producing as much as they were producing per person four or five years ago. That is how far they have gone. I have been across this country and I have also listened to Canadian people everywhere. Do you know what I have heard? Over and over again it has been said to me that this perpetual groaning on the part of the opposition, this degrading of our country, has gone beyond what is reasonable and beyond what is regarded as the proper attitude to take in parliament. We want criticism. Criticism is of the essence of parliamentary government. But that dirge they chant, that funereal appearance they assume, and that attitude of gloom they adopt for their own personal glee, are things which the people are beginning to see through in the light of what has been done and the policies that have been followed by this government.

I will refer to some of the things that have been done, first generalizing on the Canadian economic scene today. Mention was made of the fact that elsewhere in the world everything was fine. I have simply to read what the President of the United States said the other day. He has also mentioned on a number of occasions, that since the war there have been four or five recessions. He has mentioned the difficulty of these successive recessions, each followed by a shorter period of general prosperity. The other day he also stated that this year we have turned the corner and are on the way up. The opposition picture Canada as if it were a place by itself, with difficulties not found elsewhere. One has just to read the United States press week by week. There you find out the fact that they also face a situation similar to that which we have faced in Canada. As to Canadian economic activity, the pace of expansion has accelerated as the year progressed and as the economy continues to advance most economic indicators passed their previous peaks and were still pointing upwards as the year ended. National output rose significantly in both the second and the third quarters of the year, and the indications are that this trend continued in the final quarter of 1961. The quickening rate of business activity improved the labour situation and employment rose.

I might also point out that the strength of the current expansion is evident in the new records attained in such important fields as national output, industrial production, incomes, consumption and commodity exports. These are notable achievements in view of the fact that there was a partial failure of Canada's 1961 grain crop. The upswing has been unusually strong and broadly based. The significant feature of the upturn is the broadness of its scope and the extent to which the improvement has permeated the Canadian economy. Some Canadian industries achieved record output and sales in 1961. Others operated above their 1960 level. New annual production records were achieved by both the mining and manufacturing industries.

In connection with mineral production, there was an increase of approximately 2.8 per cent. There was also an increase in gas exports. As a result of the policies of this government in making possible a national policy, we have been able to achieve new records. New annual production records were also chalked up in primary steel and wood pulp. Cement shipments were higher by 6 per cent than they were in 1960 and constituted the second highest figure on record after 1958. The gross national product amounted to approximately $37 billion and there was a significant gain between the second quarter and the third quarter. The achievement of this gain is remarkable, again I point out, when consideration is given to the $300 million or $400 million decline in the grain crop when compared with that of 1960. If we had had an average grain crop in 1961, it

would have meant an increase of about 3½ per cent in the gross national product. However, the opposition just go on, Mr. Speaker, and wail and whine.

How greatly the foreign trade situation seems to worry, frustrate and annoy them. However, the improvement in Canada's foreign trade was one of the most encouraging economic developments in 1961. At the end of the first ten months of 1961 commodity exports stood at an all-time high. Imports were moderately higher than they were in 1961 and for the first time since 1952 Canada had a surplus in commodity trade. When we came into office there was a deficit in commodity trade of some $713 million. As a result of our policies, the encouragement of export markets and the action taken by the Minister of Trade and Commerce and his officials, and those of the other departments of government, and by the Minister of Agriculture (Mr. Hamilton) directly, the improved situation was brought about. The record level of exports was achieved largely by expanding foreign sales to countries other than our two traditional best customers, namely the United Kingdom and the United States. Sales to western Europe and Japan continued to expand during the year, and there were large exports of grain to communist countries.

I do not know what the suggestion was today on the part of the Leader of the Opposition. However, if he is criticising the sale of wheat to communist countries, I ask him to repeat that criticism in those areas of Canada which are particularly affected by the benefits that come from the export of that wheat.

Mr. Nowlan: Or anywhere else in Canada.

Mr. Diefenbaker: The Minister of National Revenue says, "or anywhere else in Canada". I wanted him to get the warmest reception. That is why I mentioned those provinces that have the largest amount of wheat. I used to be told that there was an east and a west. I have not found that to be the case. There has been a desire on the part of hon. members of this house, from whatever part of Canada they came, to contribute to the benefit of each and every portion of the country to the end that there is prosperity.

I have noticed that certain elements in the press have stated that the improvement in our trade situation is due to United States economic improvement rather than to our policies. Canada's total trade—that is to say, commodity exports and imports taken together—amounted to $9½ billion in the first ten months of 1961, 5.8 per cent more than in the corresponding period of 1960. Exports total $4,801 million, 7.2 per cent above the level in the period January to October 1960.

What are the facts with respect to whether or not this increase has arisen in consequence of improvement of economic conditions in the United States? In over-all exports the level over 1960 was the result of an increase of $52 million or 2 per cent in sales to the United States and of a rise of $292 million or 33 per cent in exports to countries other than the United States and commonwealth countries. I think I have said enough in this connection to indicate that because of the tremendous efforts made by this government and its departments and as a result of the legislation which the government introduced in order to encourage export sales these results have followed.

Industrial production hit a new peak. In October, 1961, it was 6.1 per cent higher than one year earlier. And so I might go on. The higher level of housing starts and increased activity in other construction fields after mid-year provided a stimulus to the building materials industries and the construction trades in general. All of these things brought about a great improvement in our employment situation.

We are not complacent about it. Neither are they complacent in the United States where their percentage of unemployment is higher than ours. They are adopting various policies to which the Minister of Labour (Mr. Starr) will refer during the course of his remarks. We have been facing a situation within our country where unemployment is always seasonally higher than anywhere else and, in spite of the prophecies of the opposition, we are able to say at this time that in every month during the year there has been a comparative reduction in unemployment. All of Canada's regions shared in the improvement in employment throughout 1961, compared with one year earlier.

I should also point out that while our percentage of unemployment is lower than that of the United States, further consideration should be given to the fact that in that country considerable numbers are called into the armed forces. Furthermore, the Canadian labour force has increased 10.4 per cent compared with 6.1 per cent in the United States, which indicates that we have that additional problem of larger and larger numbers coming into the labour market, greater in percentage than is the case in the United States.

I could deal with sales and review in general but throughout it bears out what I have just stated, that our policies, ridiculed, condemned, ignored today by the Leader of the

Opposition, have brought about changes that few could have anticipated a few months ago.

With regard to our relationship to the United States in defence sharing, the Minister of Defence Production (Mr. O'Hurley) deserves commendation. In joint sharing with the United States in 1961 we built up a 25 per cent increase over 1960. The 1960 figure was $112 million and in 1961 the amount was $142.6 million. That was the first time that we had a favourable balance amounting to $50 million. This does not take into consideration the "swap" deal. In addition we received $42 million in defence sharing in European countries and in Australia last year. If there only could have been the slightest suggestion on the part of the Leader of the Opposition that things were changing beneficially. But no, not at all. I wonder why he was so silent. Was it because the sole policy that the opposition has built up, the economic degradation of this country, has now proven to be ill-timed and ill-conceived?

Sir, we are no different from the United States. Here are the words of the President of the United States in his state of the union message:

At home, we began the year in the valley of recession—we completed it on the high road of recovery and growth... At the year's end the economy which Mr. Khrushchev once called "a stumbling horse" was racing to new records in consumer spending, labour income and industrial production. Moreover, pleasant as it may be to bask in the warmth of recovery, let us not forget that we have suffered three recessions in the last seven years.

Listening to the hon. gentleman today referring to recessions, you would think they were something peculiar to the present government of this country.

The time to repair the roof is when the sun is shining.

That is the course we have followed and that is the course we intend to follow on the upturn that is taking place everywhere in Canada.

The hon. gentleman is a profound reader of articles from abroad. In one or two cases he read from journals that do not have quite the wide significance that he would have led us to believe. Let me read from some articles written in Canada. There is, for instance, the *Financial Post* outlook on January 6.

Canada ended 1961 with business on the upbeat and with buoyant forecasts for 1962. This year's g.n.p. consensus is, should rise by at least 5 per cent to top the $39 billion mark.

Again, on October 28 the *Financial Post* said this:

The upswing in industrial production and profits, coupled with the current scaling down of unemployment, make it clear that the Canadian economy is well into its fifth expansion of its post-war years.

Why go abroad in order to prove what is wrong with your country? I do not understand this greater interest than ever before in papers and periodicals abroad. Charles Lynch in the Ottawa *Citizen* had this to say:

Canada gets glad tidings on economy. In almost every sector of the economy, except agriculture, things were humming at such a pace during the third quarter of this year that gross national product rose by 2.7 per cent.

In agriculture it should be noted there was the largest income yet, even though agriculture in western Canada suffered a tremendous loss. In the months since last May or June the price of wheat has increased by approximately 20 cents a bushel. Here is what the president of the Bank of Nova Scotia said.

The past 12 months give us much cause for encouragement.

I wish he could whisper a few of these words to the Leader of the Opposition.

We have moved from the midst of a recession into a new phase of expansion.

Then he said:

How strong the forward surge will be is not yet clear; but it is clear that 1962 will be a better year than 1961.

Then there is this quotation originating with the Prudential Insurance Company of America:

Canada's gross national product will rise 7.3 per cent to a record $39.4 billion in 1962, the Prudential Insurance Company of America says in its annual economic forecast.

And so it goes across the country in magazine after magazine and article after article I think I will have to send some of these to the hon. gentleman rather than read them in the house.

Mr. Chevrier: How about the president of the Royal bank?

Mr. Diefenbaker: Then, he will have some information gained in Canada about Canada rather than the derogatory articles from outside of Canada.

I am going to say a word now about the common market. I do not believe too much need be said. I should like to refer again to the slogan "the Liberals have the answer". It is a great slogan given today. It is said the Liberal party has taken a strong stand in this regard. We find reference made to Walter Gordon. He is in a position, in relation to the Leader of the Opposition, as exemplified by the phrase, "Walter, Walter, lead me to the altar". The Liberals have the answer. They had the answer from the lips of

this same Walter Gordon who said to the people of the maritimes, exile yourselves from the maritime provinces.

An hon. Member: Wait until we get him down there.

Mr. Diefenbaker: Oh, he has been down there. He said, I really did not mean that. Here is what he says and he is one of the leaders, but unlike his fellow expert, Mr. Kent, he is allowed to be articulate. This is what he said on August 29, 1960. The Leader of the Opposition read what he had said. That used to be a failing of Mr. King's; his speeches were filled with copious quantities of quotations from previous speeches.

We will see what Mr. Gordon said, as reported in the Toronto daily *Star* in August, 1960. Let us remember the bold and imaginative, Mr. Speaker; decisiveness, certainty. What did the director of policy and activity of the Liberal party say? This is what he said:

> We hear a lot these days about the potential effects on Canadian exports of the European common market, and sometimes, that we should explore the possibilities of establishing a common market or free trade area on the North American continent.

This was in the speech today. It was put there quietly, just inserted. What did Mr. Gordon say?

> But we should think twice before concluding that the same approach would be desirable on this continent. After all, some of the keenest promoters of the common market in Europe have political union as their ultimate objective, a union incidentally in which no one of the present countries would wield a dominating influence.

The Liberals have the answer, but here is what Mr. Gordon said:

> A similar approach on this continent might have a very different result if eventually it led to some kind of political union between Canada and the United States. In our case, because of our much smaller size, this would really mean absorption by the United States. This is a prospect which I, for one, would not look upon with relish—not that I am in any way anti-American—but just that I think Canada has something to contribute to this weary troubled world as a separate, independent nation with no axe to grind.

Miss LaMarsh: Hear, hear.

Mr. Diefenbaker: Oh, yes, they applaud what he said but they say the very opposite in the House of Commons.

Now, I come to another bold and imaginative statement. The Leader of the Opposition quoted what he said in Vancouver on January 25, 1958, calling for immediate planning for a north Atlantic free trade area. He complained because Canada dared to place Canada's position before the United Kingdom when the United Kingdom was considering entering the common market. What would they have said if we had not done so? What would the position of the United Kingdom have been if they bargained for the purpose of securing for us, within the commonwealth, the best possible bargain they could? There has been no complaint on their part. They have been very glad to have our views. They have used them there for the purpose of assuring that there shall be no sacrifice of any measure of those things that bind the commonwealth together in trade. They criticize us for it today, but what would they have done?

I will tell you what the Leader of the Opposition said. He did not quote this part of his speech. After these bold words, he concluded by saying this:

> For Canada a north Atlantic area, with the freest possible trade would certainly mean a much greater export market in the United States and Europe.

Then, he conceded that certain Canadian industries would have to receive special consideration under a free trade agreement. He did not elaborate further. The thing which he told us we should do and which would have to be done, is the very thing for which he criticized us, securing special consideration. You remember a while ago what they were saying, Mr. Speaker? We should join the European common market. They had never read the treaty of Rome. They did not know that only European countries could belong as members. They suddenly changed their standpoint today and endeavoured to leave the impression that the United States was going to enter into something of this kind. I will quote President Kennedy's words:

> I am proposing, in short, a new American trade initiative which will make it possible for the economic potential of these two great markets to be harnessed together into a team capable of pulling the full weight of our common military, economic and political aspirations.

I personally believe this, that in the years ahead the free world will have to come closer together than ever before, economically and politically, if we are to survive in freedom.

Then, what did the president say?

> I am not proposing—nor is it either necessary or desirable—that we join the common market, alter our concepts of political sovereignty, establish a rich man's trading community, abandon our traditional most favoured nation policy, create an Atlantic free trade area, or impair in any way our close economic ties with Canada, Japan and the rest of the free world.

This has been our attitude. We have done everything to encourage Britain to place the viewpoint of Canada before the community, and it has been done.

As a result of the serious decision recently taken by the council of ministers of the common market, the Six have moved from the first stage to the second stage of the 12-year transitional period leading to the achievement of their economic community.

The position of the common market at the end of the fourth year is generally as follows: The Six have reduced tariffs among themselves by 40 per cent, and eliminated import restrictions, also amongst themselves, over a wide range. They have taken the first of three steps bringing their individual tariffs towards the level of their common external tariff. They have paved the way for common transport and commercial policies. They have made appreciable progress towards the free movement of labour, services and capital wtihin their community. That is one of the principles of the treaty of Rome, free ingress and egress of labour among the countries in the treaty area; complete freedom of access on the part of labour, that is, under the treaty. They have continued to develop closer political ties.

The government of Canada recognizes the implications of the common market. We understand the political and economic reasons which led to the creation of this economic community. We have demonstrated our desire to co-operate with it and with the United States in the part we have played in the establishment of O.E.C.D. and all Canadians are proud of the fact that this organization is now under the chairmanship of the Minister of Finance.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: This, Mr. Speaker, provides me with an opportunity of replying to those who say that there has been any disagreement between the Minister of Finance and myself, that there is and has been no foundation for those rumors at any time.

Mr. Pickersgill: Methinks the lady doth protest too often.

Mr. Diefenbaker: If the hon. gentleman knows as much about ladies as he does about Mr. King, then he speaks with some authority.

While Canada has co-operated with its partners I make it clear that if the strengthening of Europe were to be achieved at the expense of the commonwealth, or other parts of the free world, we do not believe it would fulfill its promise. Canadian representatives have brought these considerations to bear in the discussions regarding European integration. I can say that so far as negotiations between the United Kingdom and the Six are concerned, the British position, stated by the Lord Privy Seal, is that the British government indicated their willingness to accept the broad lines of the Rome treaty as it is, and indicated they shared the political aims and objectives of the Six. Second, the political significance of the commonwealth and its contribution to strength and stability in the world were emphasized. He, I think, made it clear that the safeguarding of commonwealth interests was the central consideration affecting the United Kingdom's decision to join.

We represent the government of Canada. We represent the people of Canada and, lest the result of what Britain was doing were to weaken the relationship within the commonwealth, were to place us in a detrimental position together with Australia, New Zealand and other countries of the commonwealth, then it is our responsibility to place that view before the British government. I can say the British government recognizes that Britain is at the centre of a world wide trading system and is aware that production facilities have been developed in many commonwealth countries to serve the British market.

Much of British industry in turn has developed on the basis of favourable access to markets in many parts of the world and the British government has, in the face of these considerations, indicated that commonwealth interests should be accommodated. It has given assurances to commonwealth governments that this would be a crucial feature of the negotiations. This was our concern, as I pointed out a moment ago, not the attitude of trying to say to a sovereign nation within the commonwealth "You shall not do this." We were concerned with the protection of our trade. We realized how much was at stake. We consider—and the British fully understood this and understand it now—that they should be provided with the fullest information on the implications for Canada, because only in that way could the British negotiators be aware of all the factors that have to be taken into account to safeguard those interests.

When I hear hon. gentlemen on the opposite side of the house talking about Canada's stand against Britain and the commonwealth I must remind them that the foundation of the Conservative party is close relationship with the British commonwealth. That was our foundation when it was an empire and that has continued to be the foundation ever since. That is the position of this party and, despite whatever representations the opposition make to the contrary, our relations with the commonwealth are close and will continue to be so.

We hold that we are entitled to consultation and by that I mean the fullest consultation. Consultation is more than the reporting of what has been done. I have repeated on a number of occasions, and I think there has been some general support for my view, that when the negotiations have finally arrived at a point as between the United

Kingdom and the countries of the European community, then in that spirit which at all times actuates the members of the commonwealth, we should meet together in a commonwealth prime ministers' conference and there talk over the matter in the light of our common dignity and the maintenance of the strength of this body of free countries all over the world, which has so much to contribute to peace. It is naturally agreed that before the final decision is taken the fullest consultation is of first importance, and in the past I have expressed my hope that, while all the countries are not in agreement, it would be possible that such a prime ministers' conference might be held in Canada.

Since becoming Prime Minister and attending such meetings I have advocated that although most of the meetings of the prime ministers should take place in London, from time to time, but not in rotation, there should be meetings throughout the commonwealth thereby implementing the concept of the equality of each member within that family.

Now, sir, I wish to say a word on the subject of national development. That was another subject which was not dealt with today. You will remember in 1957 and 1958, when we spoke of the need to develop our northern areas. That idea and view were ridiculed as being a policy of development from igloo to igloo. I look back over that period and think of the plans we brought into effect. One has only to travel in the north of Canada to see the tremendous changes that have taken place. In the provinces we also made provision for co-operation in the provincial development of all things designed to bring about a strong economic development in every part of our country, the development of our national resources, the development of our northern regions, urban redevelopment, transportation and communication development, and a balanced regional economic development as practiced through the Atlantic provinces grants.

These are some of the things we have done, and though the opposition speak about plans not being carried out, I shall not deal with that tonight but wait to hear the hon. gentleman from Bonavista-Twillingate and hope there will be an opportunity of following him. There is, indeed, a tremendous loss to the history of our country by virtue of the hiatus that has taken place as he searches for promises. Let me point out, Mr. Speaker, that it shows they agree there is a hiatus.

Mr. Pickersgill: What is it?

Mr. Fleming (Eglinton): You.

Mr. Diefenbaker: Apparently that definition applies to the hon. gentleman who is in Newfoundland by personal adoption. They think it is a hiatus, too.

We said we would bring about the development of our resources. There is the road program in the north to allow exploration of new mineral areas, the development of the northern community of Frobisher Bay, and improved transportation and communication.

In the provinces, in addition to the road program in the north there is the roads to resources program, forest access roads and railways designed to open up the country. One of these is the Great Slave lake railway, which is also giving to Canadians an opportunity to participate in Canada's development, as is the case with the regulations for oil and mineral development in the north.

We went ahead in other provinces. There are the tourist roads in the maritimes, and in Ontario there is the federal aid to the upper Thames river project. We brought about a national policy with regard to western gas. We have aided provinces in power development. We set up a royal commission for the purpose of determining a means whereby there could be an equalization in freight rates between the various parts of our country. In development we have extended aid to the provinces far beyond anything that has ever taken place. Indeed, when one looks at the deficits, if it were not for the extra aid we have given to the provinces several of those deficits would not have taken place.

We have provided subventions for maritime coal. We have done our part to end the pollution of our vast water resources. We have built or are building, in co-operation with the provinces, various great water irrigation plants such as the south Saskatchewan river dam and another referred to in the speech from the throne, the Red and Assiniboine rivers project. We have brought about a new concept in agricultural development by the legislation known as ARDA.

These are some of the things we have brought about in order to achieve that degree of development which is the concept of our development policy. While I do not often refer to articles in detail, there is an article in the Toronto *Saturday Night* of January 6 which deals generally with power, railways and minerals being the key to our development.

We have launched a tremendous power policy with the assistance of the provinces. We are hoping that with regard to the Columbia river agreement between the province

and the federal government can be reached so that the treaty may be brought before the present session.

I have already mentioned one railway, and there is another mentioned in the speech from the throne. As I look back over a period of 25 years visiting various parts of eastern Quebec, there has not been an election since 1925 when those opposite did not tell the people of Gaspé to elect them and they would build a railway from Matane to Ste. Anne des Monts. Here is a wonderful area to be developed, not only from the point of view of resources but also as a tourist attraction. We intend to make available to the people of that area something that has been denied them for so many years.

In addition to that the opposition ridiculed us in those election campaigns for our ideas about the north. You have only to go up there to see what has been done. I went to Inuvik and along the Mackenzie river. There is tremendous development there, almost 100 million acres being taken up for oil, minerals, gas and the like. The potential finds are now apparent. All these things are part of the development that we had in mind, so long delayed and so long derided by the present opposition when in government.

The greatest need in the years ahead, as I see it, will be the assurance of power to all parts of Canada. It is for that reason that in the speech from the throne we make provision for the beginnings of action which we hope will bring about the establishment of a national power grid in all parts of Canada. Manitoba has already approached us in this regard; other provinces are interested. My hope is that we shall make progress, to the end that in this respect Canada will not fall behind but will be in the forefront in the maintenance of such necessary things as the provision of power to all parts of our country, assuring a new equality of development in every part of our country.

There is one other matter in the province of Quebec that is receiving our attention in this development plan which covers all the provinces of Canada. That is the reference of the Richelieu-Champlain waterway project to the international joint commission. The opposition, when in government, gave this matter little or no attention from 1937 on. We felt some action should be taken and we have given serious consideration to proposals for the improvement of this waterway.

On September 8, 1961 I pointed out to the house that when the examination had been completed and a decision had been made as to the proper course to be adopted, the house would be made aware of that decision immediately. On December 18 the government announced its decision to refer this matter to the international joint commission for study. The United States government has been informed of our desire to have this matter submitted to the commission and of our willingness to do this by means of a joint reference of the governments of Canada and the United States of America.

The nature of this joint reference is at present being considered by the various departments of government concerned and we should be in a position shortly to discuss the fullest details with the United States. At that time the house will be made aware of the progress we are making.

In the development policy for agriculture in all parts of our country, agriculture in eastern and western Canada has received every consideration from this government. Indeed, as I examine the expenditures that are made for agriculture in eastern and western Canada in connection with support prices and all other matters that enter into that field, I find that on a per capita basis there is a high degree of equality in all parts of the country.

As you know, in western Canada this year there was a serious crop failure. When we came into office we thought action should be taken to bring in cash advances. Well, the Liberals had the answer. But when we asked them to do this in 1954, 1955 and 1956 they said it could not be done. When we said that action should be taken to remove the tremendous overhanging surplus of wheat by securing markets in various parts of the world, the Liberals again had the answer. The answer was, no. When, in order to assist in removing those surpluses and to benefit other parts of the world under the Colombo plan we suggested that, to use this immortal slogan, the Liberals had the answer—it was, no.

So I could go over the picture. How did we bring about the tremendous sales of wheat? We extended credit sales of wheat to various countries. The Leader of the Opposition today speaks with that uncertainty which boldness and imagination demands but I have his statement here, made in 1958, that he thought we ought to sell non-strategic products to communist China. But they did not do it.

Mr. Pearson: We made the agreement with the Russians.

Mr. Diefenbaker: The hon. gentleman says he made the agreement with the Russians. Then why is he implying that there is something wrong in selling wheat to China?

Mr. Pearson: On a point of order, the Prime Minister has made an inference which is false and misleading. I should like to point out that I approved of wheat sales to China at a time when hon. members opposite said it meant we were being soft on communism if we approved that course.

Mr. Diefenbaker: What does that mean, saying "I am in favour of it but we are too soft on communism?" I want to tell the hon. gentleman this: that is one subject, softness on communism, that he should not discuss.

In every case where we asked for something to be done the Liberals had the answer, as the advertising says. The answer was, no. Take, for example, advances to farmers. All those things which have been put into effect since this government took office were approached in the same way by the previous government. The answer was always the same, and it was always in the negative. In 1958 we brought into effect acreage payments and I know what the reaction was. I am not going to harass anyone or cause any wounds to be opened but I remember the description "peanuts". All I can say is that I have travelled in western Canada and that is not what the small farmers say. All through the years there have been requests in western Canada for a fair and reasonable price approaching parity with regard to that portion of the wheat sold in Canada for domestic purposes. The sum of $40 million was made available in 1958 and again, two years later, in 1960 which in fact brought to the farmers of western Canada a price equivalent to a parity price in respect of that wheat consumed in Canada.

We intend this year again to bring into effect a similar system whereby farmers will receive the same amount as in 1960. Mention was made by someone—I believe it was the Leader of the Opposition—that the Minister of Agriculture had stated that the payment would not be made in the calendar year, that the cheque machinery was working too slowly and it would be impossible to do it. Exactly what the Minister of Agriculture meant was that we were sending out cheques to the western farmers in respect of wheat through P.F.A.A. and there would be no payment made during the calendar year 1961. There is nothing unreasonable about that statement. One thing this government has done has been to see to it that when farmers find themselves in difficulty, whatever part of Canada they live in, they receive that consideration which in the past was so often denied.

When I said a moment ago that our policy was for other parts of Canada, too, I think of what we have done in connection with tobacco. I also think of what we have done in connection with sugar. I have before me an editorial which appeared in the Chatham daily *News* on December 2 under the heading "New Sugar Policy is Welcomed by Growers". It reads:

> Details of the federal government's new Canadian sugar policy have been made public and do not need to be recapitulated. Under this program the new support will be given to sugar beet growers starting with the 1962 crop.

The article goes on to indicate what private members can do and ends by saying that credit is due to the hon. member for Kent, Ont. (Mr. Danforth) for his persistent efforts.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: And while that hon. member is named in his own paper, the same applies to all the members supporting the government in western Ontario.

Now I come to the question of social security. Among the most important measures forecast in the speech from the throne are those relating to old age pensions. We already have in Canada four major government systems for providing for old age pensioners as well as numerous private pension plans. Therefore it is desirable that the house and the public should understand how the measures referred to in the address affect this program.

The four matters to which I refer include first, a government annuities plan, which is used by a great many individuals and groups as a foundation for their security. We propose to retain this important feature and hope it will continue in the future to be as useful as it has been, whatever additional pension measures may be introduced. The second, in point of time, is what is now the Old Age Assistance Act. Under this an old age pension is provided jointly by the provincial and federal governments to persons who are in need as determined by a means test applied by the province in accordance with both provincial and federal law. It is not generally known that this payment of old age assistance is contributed to by the federal government on a 50-50 basis. This pension looks after those who have been unable to provide for their own old age and who need a pension before the age at which the universal pension is payable.

We propose that the amount of the pension should be increased and we believe that the economic capacity of this country warrants the benefit of an increased scale for our old people who are in need. The cost of doing this will, of course, rest on the budget and, as is the case with regard to all these measures, will ultimately be met by the Canadian people through their taxes. The third of this pensions group is the old age security pension payable as of right to persons at 70 years of age without regard to need. As in the case of old age assistance, the government has reached the conclusion that it can and should ask Canadians to accord a higher priority to the welfare of older Canadians than in the past and to pay pensions on a higher scale than heretofore.

In creating a complete system of providing for retired persons which will be made out

of all the measures, due regard should and will be had to the levels of these old age security pensions financed by the special levies under the act.

A fourth element which is often overlooked is provision for aid under the Unemployment Assistance Act. Under this act parliament provides, through provincial and local authorities, half the money required for the payment of what is widely termed public assistance or relief. I would point out here that if the new policy of the new Liberal party as enunciated by the Leader of the Opposition in Quebec city is brought into effect, that is the kind of joint expenditure which will be ended.

Under the Unemployment Assistance Act, parliament is now sharing in the payment of substantial amounts to old people as well as to other people who are unemployed or unemployable for various reasons.

These are the four plans for dealing with old age pensions. There are now hundreds and possibly thousands of private pension plans which have become an important and integral part in employer-employee relations in Canada. Usually these plans are financed by contributions of employers and employees. These are normally recognized under income tax arrangements which permit contributions to these plans to be free of taxes but which impose taxes if they are payable on the pension payments themselves if they exceed the exemptions on the taxpayer's income. The new feature that will be proposed to parliament will be to add to this system. It will enable the structure to be completed in addition to an increase in the amount of payments for old age pensions.

We find that there are still a good many people who wish to have greater provision made for their old age, and who are able and willing to contribute to such retirement pensions but who are not covered either by government annuities, by private pension plans or registered retirement saving plans. In order to complete the structure for old age pensions it is necessary that parliament should have the authority to enact a statutory system of old age pensions and related survival and disability benefits that would be comparable to that under the modern British and United States legislation in the nature of benefits that could be provided.

At the present time parliament's authority derives from section 94A of the British North America Act which permits it to make laws in relation to old age pensions so long as they do not affect the operation of provincial laws. This constitutional authority does not permit parliament to enact a plan which would include benefits payable under specified circumstances to the widows and children of contributors or to contributors who become disabled before they are old. To extend the law in this most desirable way it would be necessary to secure constitutional authority. With this idea in mind I have written to the premiers of all the provinces asking their concurrence in an amendment to section 94A of the British North American Act. I should like to table a copy of the letter to Premier Robarts of Ontario. The text of the others is similar. If the house is willing, the letter could be appended to *Hansard*.

Some hon. Members: Agreed.

Mr. Speaker: Has the Prime Minister the consent of the house?

Some hon. Members: Agreed.

[*Editor's note: For the text of letter above referred to, see appendix*]

In His Excellency's speech reference was made to the desirability of the new plan taking into account private pension arrangements and the need for portability of pension rights. I should like to make it clear that pension rights under this type of national plan would be portable. On the other hand, we must contemplate private plans remaining in operation. Pension rights under them should be made portable, if necessary by the passing of either provincial or federal legislation. Our plan should take these private plans into account and should not require additional contributions by those already contributing under satisfactory private arrangements.

I have taken note of the proposal made public recently by the Leader of the Opposition, or by the Liberal party, for the payment of additional contributory pensions. At this time I am not going to outline the deficiencies or the weaknesses of palatable sections which when examined are found to be hollow and shallow. However, I feel it necessary to note that the plan contemplates no change in the constitution and no extension of benefits to dependants of contributors nor to disabled contributors. We feel that any plan limited in this way would be most seriously deficient.

As I set out in the letter to the various premiers of the provinces, believing that this is something which should be done we are going to ask parliament to consider the necessary amendment. Ever since the Clark report came in we had been hoping that the provinces would be able to come to an agreement on the question of having our constitution amended in Canada or of patriating the constitution. However, while progress has been made in that regard, we now feel that what we undertook to do in 1958, and have intended ever since to do, on the basis of an amendment to be passed in the parliament of Canada is now impossible. We believe this change

should be made now. As it will take further time to reach agreement on the method of amendment of the constitution in Canada, we intend to proceed by way of an address to the Queen requesting the amendment to be made by the parliament of Westminster and have asked the various provinces to concur in that request. When we have been able to secure that amendment, over and above the old age pension paid and the increase which we intend to place before parliament, there will be in effect a pension system contributed to by the people of Canada to the end that there will be available for all Canadians, on a portable basis, pensions in keeping with their needs and also with their ability to to make payment.

First, there will be a reasonable and fair old age pension. We have shown our feelings in this regard by adding to the $6 provided or introduced by the previous government, a further increase of $9. When I proceed tomorrow, Mr. Speaker, with the concluding portion of my remarks, I shall deal with this matter somewhat further. Then there are two other matters I wish to deal with because the Leader of the Opposition covered them and I wish to assure him that all the information asked for by him will be furnished.

Mr. Herridge: I just wish to ask the Prime Minister one question. I was particularly interested in his reference to a national power grid. Does he believe that any power produced from British Columbia waters which is surplus to British Columbia's requirements should be made available to the rest of Canada rather than be exported to the United States?

Mr. Diefenbaker: Mr. Speaker, I think that the Minister of Justice has dealt with this on a number of occasions and there is nothing that I could add.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, I wonder whether the house leader could give some indication whether or not the speech from the throne will be interrupted this week and when, if this week, to deal with the matters referred to earlier by the Prime Minister?

Mr. Churchill: Mr. Speaker, I do not think we need to look too far ahead just yet. We will continue with the speech from the throne tomorrow.

Mr. Argue: Shame. Let us make the payments. Come on.

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

APPENDIX

BRITISH NORTH AMERICA ACT—LETTER TO PROVINCIAL PREMIERS RESPECTING OLD AGE PENSIONS

Ottawa, January 17th, 1962.

The Honourable John P. Robarts, Q.C., M.P.P.,
Premier of Ontario,
Toronto, Ontario.

My dear Premier:

My colleagues and I in the federal government have come to the conclusion that the Canadian social security system should be improved by the addition of a plan for graduated old age pensions on a contributory basis in addition to the basic old age security pension, for all those who can reasonably afford additional provision for their old age and who have not already undertaken it under private pension plans or other contractual arrangements. We believe that a plan of this kind, which would have some resemblance to the American social security laws and the recent British legislation, should also contain provisions for the payment of benefits under certain circumstances to the widows and children of contributors who die, and to former contributors who become permanently disabled.

The British North America Act was amended in 1951 by the addition of the following as section 94A:

"It is hereby declared that the parliament of Canada may from time to time make laws in relation to old age pensions in Canada, but no law made by the parliament of Canada in relation to old age pensions shall affect the operation of any law present or future of a provincial legislature in relation to old age pensions."

The law officers of the crown advise me that this authority would permit parliament to enact a contributory, graduated old age pension plan but would not permit the inclusion of benefits payable under certain circumstances to widows and children, nor to contributors who become disabled before they are old. To extend the law in this most desirable way, it would be necessary to replace the present section with one reading as follows:

"94A. It is hereby declared that the parliament of Canada may from time to time make laws in relation to

(a) old age pensions, and

(b) pensions and other benefits incidental to, or conducive to the better operation and administration of, a scheme of old age pensions,

but no law made by the parliament of Canada under the authority of this section affects the operation of any law enacted by the legislature of a province in relation to any of the matters specified in paragraphs (a) and (b) of this section".

My colleagues and I had hoped that agreement would have been reached by this time on a means of amending Canada's constitution in Canada and that this change in section 94A would have been one of the first amendments made under the new arrangements. It is now evident that it will take some further time to reach agreement on the methods of amendment of the constitution in Canada and it will therefore be necessary to proceed by way of an address to the Queen, as in the past, requesting that the amendment be made by the parliament at Westminster. I am writing therefore to ask that you concur in a request for an amendment to section 94A of the British North America Act in the form proposed above.

Yours sincerely,

John G. Diefenbaker

HOUSE OF COMMONS

Tuesday, January 23, 1962

The house met at 11 a.m.

EXCHEQUER COURT

EXTENSION OF JURISDICTION TO INCLUDE DIVORCE

Mr. Arnold Peters (Timiskaming) moved for leave to introduce Bill No. C-40, respecting the jurisdiction of the Exchequer Court of Canada.

Motion agreed to and bill read the first time.

DIVORCE

PROVISION FOR OFFICE OF PARLIAMENTARY PROCTOR, REGULATION OF COSTS, ETC.

Mr. Arnold Peters (Timiskaming) moved for leave to introduce Bill No. C-41, to establish the office of parliamentary proctor and to regulate taxation of costs.

Motion agreed to and bill read the first time.

MEASURE TO MODERNIZE DISSOLUTION AND ANNULMENT

Mr. Arnold Peters (Timiskaming) moved for leave to introduce Bill No. C-43, to provide in Canada for the dissolution and annulment of marriage.

Motion agreed to and bill read the first time.

INDUSTRIAL RELATIONS

PROVISION OF MINIMUM RATE OF WAGES FOR EMPLOYEES

Mr. Arnold Peters (Timiskaming) moved for leave to introduce Bill No. C-42, to provide for minimum wages for employees.

Motion agreed to and bill read the first time.

REPRESENTATION ACT

AMENDMENTS RESPECTING HALIFAX ELECTORAL DISTRICT

Mr. E. L. Morris (Halifax) moved for leave to introduce Bill No. C-44, to amend the Representation Act (Halifax electoral district).

Some hon. Members: Explain.

Mr. Morris: The purpose of this bill, Mr. Speaker, is to give electoral recognition to the status of Dartmouth as a city of Canada.

Motion agreed to and bill read the first time.

BILLS OF EXCHANGE ACT

AMENDMENT OF REGULATIONS RESPECTING SALE OF MORTGAGES

Mr. Arnold Peters (Timiskaming) moved for leave to introduce Bill No. C-45, to amend the Bills of Exchange Act (instalment purchases).

Some hon. Members: Explain.

Mr. Peters: Mr. Speaker, the purpose of this bill is to protect people who are being sold goods by unscrupulous companies who, immediately after arranging a contract with certain guarantees, sell the original document and the purchaser then has no safeguard under that guarantee. This has worked a very great hardship on people buying things like aluminum windows and storm doors from door to door salesmen.

Motion agreed to and bill read the first time.

TRANSPORTATION

ROYAL COMMISSION—TABLING OF SECOND VOLUME OF REPORT

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the house moved with such commendable celerity through the early item that I missed motions. With leave of the house I should like to revert to motions.

Mr. Speaker: Has the Prime Minister leave to revert to motions?

Some hon. Members: Agreed.

Mr. Diefenbaker: Mr. Speaker, I wish to table two copies in English and in French of the second volume of the report of the royal commission on transportation. This volume completes the analysis and recommendations of the commission. The third volume, which will be printed shortly, will include a number of studies prepared for the commission and will be tabled when it is ready.

The commissioners have asked to be discharged of their responsibilities and that request has been acceded to. They have been thanked for their contributions to the public service.

I will not endeavour to summarize or comment upon the substance of the report. I think hon. members will find that the report clarifies and illuminates the issues underlying the very difficult problems confronting Canada in the field of railway transportation.

I feel that the report will help parliament, the government and others concerned in reaching solutions to the problems that were placed before the commission.

A very excellent summary of the main points of the report has been prepared by the staff of the royal commission and has been given to the press. That might also be tabled so that any hon. member who is interested in a short compendium of the contents of the report will have the benefit of this summary.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, it is of course impossible to comment from this side of the house on the report which the Prime Minister has just tabled. I am sure all of us who are interested in this vital matter will want to carefully study the report as well as the summary which the Prime Minister has also tabled in the house.

I should like to extend the thanks of the opposition to the members of the royal commission for the work they have done. While I do not know all of them, I have been in association with some of them previously and I am sure that in the discharge of their responsibilities they have acted in accordance with the highest traditions of commissions.

I do not know what is contained in the report by way of recommendations, but I do hope the government will not deal with them as they dealt with the recommendations contained in the first report which—

Mr. Speaker: Order. Inasmuch as there will be an opportunity to debate this matter later on, I think the hon. member should restrict himself to the comment he has made and should not bring in other debatable matters particularly as no opinions were expressed by the government in the tabling of this report.

Mr. Chevrier: I trust that the government will see fit to deal objectively with the recommendations contained in the report.

Mr. Hazen Argue (Assiniboia): This is one of the occasions when a spokesman on a particular subject in the House of Commons is unable to make any worth while comment because we have not had the opportunity which the Prime Minister has had of seeing the report. All I can say is that the royal commission was established to consider urgent and important problems affecting the whole transportation industry of Canada with particular reference to rail transportation.

We are looking forward to reading the report. We trust that the report will have within it helpful recommendations and that the government will act on those recommendations so that we may obtain, as far as the railways are concerned, equalized freight rates in order that the rail facilities so necessary for Canada may be developed in an efficient manner and made available on a more equitable basis to freight users in all parts of Canada.

BUSINESS OF THE HOUSE

ROYAL COMMISSION ON TRANSPORTATION— IMPLEMENTATION OF RECOMMENDATIONS THIS SESSION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I wish to direct a question to the Prime Minister based on an article appearing in the *Globe and Mail* of January 22 to the effect that the government is considering new legislation aimed at abolishing across the board freight rate increases in accordance with recommendations made by the royal commission on transportation. Is it the intention of the government to introduce legislation to this effect at this session of parliament?

Right Hon. J. G. Diefenbaker (Prime Minister): That article, of course, is purely speculative in every way. When the government is in a position to advise the house of the course to be followed, action will be taken. It will have been noticed that in addition to the items particularly mentioned in the speech from the throne there is provision, as is customary, for other matters which may arise or become necessary during the course of the session. The report will be thoroughly examined and considered and if it is felt that recommendations contained therein can be brought in during the present session, that course will be taken. At the same time I point out that the hon. gentleman has called upon us to have an election. That is not consistent with the suggestion he expresses now that we should bring in measures over and above those already covered by the speech from the throne.

Hon. Gordon Churchill (Minister of Veterans Affairs): May I raise a point of order. I wonder, since we are starting a new session, if some restriction could be placed on those questions which are so phrased as to begin, "Would you care to comment on a newspaper report—?" Could the question not be framed directly to the minister with regard to something which is under his jurisdiction; otherwise we spend so much of our time commenting on what may be just a rumour appearing in a newspaper?

Mr. Hazen Argue (Assiniboia): On the point of order that has been raised—

Mr. Speaker: I am sorry, but I cannot accept the point of order in general terms.

If any question which is asked is subject to what may be a pertinent objection which the house leader has raised, I would be very glad to entertain it in that way. Otherwise, it does not seem to be permissible to raise an objection in general.

AIR TRANSPORT

C.P.A.—APPROVAL OF FLIGHTS FROM WESTERN CANADA TO LONDON

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to address a question to the Minister of Transport. I wonder if the minister would care to comment on a report in this morning's press that Canada has asked for more time before opening the Anglo-Canadian air services agreement for renegotiation. Would the hon. gentleman comment on the position of the C.P.A. with regard to its bid to be designated as a carrier on the polar route to Britain?

Hon. Leon Balcer (Minister of Transport): At the time of my discussion last November with Right Hon. Peter Thorneycroft, the British minister of aviation, it was agreed that a further exchange of views would be desirable in about two months. I have in fact recently communicated with Mr. Thorneycroft as part of a further exchange on these matters and I expect to hear from him shortly.

Meanwhile, officials are studying the problems involved with regard to the Canada-United Kingdom air agreement since I believe that arising out of my current exchange with Mr. Thorneycroft another round of talks will be arranged fairly soon during the coming weeks.

Hon. Lionel Chevrier (Laurier): A supplementary question. May I ask the Minister of Transport what the position is with reference to the bilateral agreement between Canada and the United States, talks in connection with which were started between the two countries last year and interrupted abruptly? I should like to know whether there is any chance of that agreement being renegotiated.

Mr. Balcer: Yes, the government hopes to be in a position to reopen those talks in the very near future.

Mr. Argue: I should like to ask a supplementary question. Can the minister tell the house whether C.P.A. and T.C.A. have now worked out co-operative plans for developing the routes that will be under renegotiation?

Mr. Balcer: No, Mr. Speaker.

Inquiries of the Ministry

NATIONAL DEFENCE

PERMISSION FOR FAMILIES TO JOIN SERVICE PERSONNEL ABROAD

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to ask the Minister of National Defence a question. In view of the concern in the minds of Canadian troops who were sent overseas last fall and the concern of their families at home, has any decision been reached or is any decision being contemplated so as to permit the families in Canada to join the husbands and fathers now serving in military establishments in France and Germany?

Hon. D. S. Harkness (Minister of National Defence): Yes, Mr. Speaker. When special reinforcements were sent over to strengthen the air division and army brigade in Europe late last summer or early last fall their dependents did not accompany them and it was stated at that time that this matter would be reviewed between January and March of this year. That is being done and there will be a decision shortly.

LABOUR CONDITIONS

NEWFOUNDLAND—STATEMENT AS TO LAY-OFFS OF MINERS

On the orders of the day:

Mr. J. A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Mines and Technical Surveys. Is the minister now in a position to make some comment on the announcement by Dosco of a substantial reduction in the work force at their Wabana mine?

Hon. Jacques Flynn (Minister of Mines and Technical Surveys): Yes, Mr. Speaker, I have an answer to the question asked me in this regard last Friday by the hon. member for Trinity-Conception (Mr. Tucker). The hon. member for St. John's East has, of course, indicated an interest in this matter and has conferred with me about it.

The Wabana iron ore mine of the Dominion Steel and Coal Corporation, Limited, known as Dosco, has been a traditional supplier of medium grade iron ore to Britain and western Europe since the turn of the century. In recent years the increasing availability of competitive higher grade ores, particularly from several countries in South America and Africa, has resulted in an oversupply of ore on the world market which has cut into Canadian sales abroad including those of Dosco. In addition, the European

steel industry, and particularly that of Britain, will apparently be operating in the coming year at a level below that of 1961.

I have seen no reference to a shut-down at the Wabana mine, an expression which the hon. member for Trinity-Conception used. He also used the word "lay-off" which I believe fits better the situation involved.

While no positive statement has yet been made to my knowledge by the company about the number of miners that may be laid off, it seems highly probable that a substantial cut in the work force is contemplated and it would appear inevitable in view of present-day iron ore market conditions.

Several attempts have been made by the company in recent years with the assistance of my department to mechanize the Wabana mine and to improve the recovery and quality of the ore. Not all of these have proven successful.

To establish closer relations between overseas customers and Canadian ore producers, including Dosco, I understand that my colleague, the Minister of Trade and Commerce, is considering the organization of an iron ore trade mission to Europe which would be composed of senior representatives of the iron ore industry, the Department of Trade and Commerce and my department.

May I add that Bell island has been declared a labour surplus area. The federal government therefore provides complete removal expenses for men and their families who may find employment elsewhere. May I also add that the government of Newfoundland has recently announced the construction of a trade school on the island. This school will be eligible for substantial federal government assistance under the technical-vocational training agreement which was enacted to assist in situations such as exist on Bell island.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to ask the hon. gentleman a supplementary question. Does the announcement that Bell island is a surplus labour area and the people will be assisted to move out of that area mean that the government has now embarked upon a policy of moving people out of the Atlantic provinces?

Some hon. Members: Oh, oh.

Mr. Fleming (Eglinton): That is the Liberal-Gordon policy.

Mr. Flynn: I entirely disagree with the interpretation that the hon. member for Bonavista-Twillingate gives to the application of this act, which has done a lot of good.

[Mr. Flynn.]

ADMINISTRATION OF JUSTICE

SONS OF FREEDOM, B.C.—INQUIRY AS TO EMIGRATION TO BRAZIL

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to ask the Minister of Justice a question without any political implications that concerns some 2,000 of my constitutents. Has the minister received any request for co-operation or assistance from the attorney general of British Columbia with respect to the Sons of Freedom problem in general or to their emigration to Brazil in particular?

Hon. E. D. Fulton (Minister of Justice): No, Mr. Speaker, not as yet. However, I have received from the attorney general of British Columbia by way of a report information of his knowledge of the activities of the Doukhobors in that connection. The report has also been sent to me. As yet matters have not progressed to the point where any positive action can be taken. In other words, the attorney general has been in touch but as yet there has been no formal request.

Mr. E. J. Broome (Vancouver South): Can the Minister of Justice assure the house that the government will help the Sons of Freedom to move themselves from this country if they wish to do so?

Mr. Fulton: I am not in a position to give any such blanket assurance, Mr. Speaker. Until we know precisely what move may be contemplated and under what arrangements, we shall not be in a position to deal with it. However, I can remind the hon. gentleman and the house that, on an earlier occasion when another specific move was contemplated, this government in co-operation with the government of British Columbia made a concrete offer of assistance.

TRANSPORT

SPRINGHILL, N.S.—INQUIRY AS TO MAINTENANCE OF RAILWAY SERVICE

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to ask the Minister of Transport this question. Despite the encouraging assurances he gave last September, is the railway from Springhill to Springhill Junction now being torn up?

Hon. Leon Balcer (Minister of Transport): Does the hon. member mean torn up by the company?

Mr. Pickersgill: By someone.

Mr. Balcer: I do not know, Mr. Speaker. I have not inspected that railway recently. However, I must say that discussions are still going on between the company and the provincial government.

Mr. Pickersgill: I have a supplementary question. Can the minister ascertain whether or not the railway is being torn up; if so, can he say whether the government has any proposal to stop it or whether this is, in fact, a part of the national development program?

Mr. Balcer: We made an offer to take over this railway if the provincial government would agree to pay for the maintenance of the said railway. Until the province accepts this proposal the railway is the property of the company.

FINANCE

REPORTED RECOMMENDATION RESPECTING EXCHANGE RATE

On the orders of the day:

Mr. John R. Matheson (Leeds): I wish to direct a question to the Minister of Finance. Has the government given consideration to a return from a manipulated exchange rate to a true floating exchange rate as recommended by Mr. W. Earle McLaughlin, in the annual report of the Royal Bank of Canada.

Hon. Donald M. Fleming (Minister of Finance): No return is necessary, Mr. Speaker, because the government has never adopted a manipulated rate policy at all.

Mr. Pickersgill: The minister announced it in the budget speech.

Mr. Fleming (Eglinton): Not a manipulated rate.

TAXATION OF ADVERTISING ON FOREIGN TELEVISION STATIONS

On the orders of the day:

Mr. W. A. McLennan (New Westminster): I should like to direct a question to the Minister of Finance. If advertisers in foreign magazines directed to the Canadian market are not allowed to deduct the cost of advertising for tax purposes, will the same regulation apply to those advertising on foreign radio and television stations when that advertising is directed to the Canadian market?

Hon. Donald M. Fleming (Minister of Finance): This subject, of course, lies outside the scope of the report of the royal commission on publications and lies outside the scope of the announcement which the Prime Minister made in the house yesterday. So far as the subject is one to be considered on its own merits, I can only say that if any action were taken in that field it would be a matter for an announcement in the house at the proper time.

UNITED NATIONS

ANGOLA—REFERENCE TO CURRENT SITUATION

On the orders of the day:

Mr. Hubert Badanai (Fort William): I have a question for the Secretary of State for External Affairs. What is the government's attitude on the Angola question now before the United Nations with regard to atrocities against clergymen and known Protestant Christians? Does the minister intend to enter a vigorous protest in the United Nations debate now in progress?

Hon. Howard C. Green (Secretary of State for External Affairs): The debate on the question of Angola is in progress in the United Nations. According to the last reports I have received, a resolution has not been tabled by the Afro-Asian nations. Once that resolution has been tabled, Canada will be in a position to decide what attitude to take.

MINES AND TECHNICAL SURVEYS

QUEBEC—REPORTED CHANGE OF TOPOGRAPHICAL NAMES

On the orders of the day:

Mr. M. W. Martin (Timmins): I have a question for the Minister of Mines and Technical Surveys. I regret not having sent him notice of it but I feel confident that he is quite familiar with the problem. My question has to do with a controversy regarding the reversal of a decision reached last February to change the names of certain topographical features on the northern coast line of the province of Quebec. Can the minister inform the house why federal pressure was brought to bear to change the decision as reported in *Le Devoir* on Tuesday, January 16, 1962?

Hon. Jacques Flynn (Minister of Mines and Technical Surveys): I did not hear the question. Would the hon. member repeat it?

Mr. Speaker: The hon. member's question relates to something that is a fait accompli. He might well put it on the order paper or deal with it in debate.

AIRPORTS

SAULT STE. MARIE, ONT.—STATEMENT ON CONSTRUCTION OF TERMINAL BUILDING

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): On Friday last the hon. member for Algoma West inquired as to when a start would be made on the construction of a permanent

terminal building at the Sault Ste. Marie airport, and if it had been considered as a winter works project.

I am advised that when tenders were called for the permanent terminal building at the Sault Ste. Marie airport in the latter part of 1961, prices received were all very substantially above our estimates of cost for this project. Since a temporary terminal building is servicing the airport effectively, it was therefore decided to make an extensive investigation and review of the departmental plans and estimates. This review is now close to completion but will probably be subject to some modifications in the plan itself and to a fresh tender call later in the not too distant future.

(Translation):

HOUSE OF COMMONS

SECRETARY OF STATE—REFERENCE TO ACTIVITIES OF QUEBEC LIQUOR POLICE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to direct a question to the Secretary of State, in his capacity of minister responsible for the office of the Chief Electoral Officer. Has the minister asked or does he intend to ask the Chief Electoral Officer to conduct an inquiry into the part played by Quebec liquor police officers during the 1958 election, in the constituency of Bellechasse?

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I do not think this matter comes under the jurisdiction of the Chief Electoral Officer. I believe that there is at present a case sub judice and, therefore, I do not feel that the hon. member's question should be answered.

(Text):

SHIPPING

SAULT STE. MARIE, ONT.—REPORTED PLAN TO CONSTRUCT NEW LOCKS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of Transport. Would the minister care to comment on the press report that in the United States there are plans under way to construct new locks, particularly at Sault Ste. Marie, that would make the present seaway out of date. Would the minister care to comment on that part of the report which says that seaway engineers have already agreed to specifications for these new locks?

Hon. Leon Balcer (Minister of Transport): I will take this question as notice.

[Mr. Balcer.]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Monday, January 22, consideration of the motion of Mr. Rodrigue Bourdages for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the proposed amendment thereto of Mr. Pearson.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, at the time of the adjournment I was dealing with the section of the speech from the throne that had to do with social justice. In order to commence my remarks today, I shall read that section:

> Your approval will be requested for an increase in the amount of the universal old age pension payable under the Old Age Security Act, and also for legislation to increase the amount to which the federal government will contribute under the Old Age Assistance Act, the Blind Persons Act and the Disabled Persons Act.

When I spoke in the city of Toronto in 1957 I enunciated the new frontier policy, and so named it on behalf of the Conservative party. Following the example of the Leader of the Opposition (Mr. Pearson) yesterday, I will read a section of my remarks made at that time. I do not want him to have a monopoly on reading what he said on other occasions.

> The Prime Minister of Ontario has just said that human betterment is of the essence of government ...We intend to maintain all the social security measures. We intend to maintain a standard to keep pace with a rising productivity of this nation. In parliament and outside, we have condemned the meagre and niggardly assistance given to old age pensioners by the increase of 20 cents a day, which leaves them in a position where they have less purchasing power than they did in 1951. The same position applies to war pensioners and also to the retired civil servants.

At that time I felt the proper course to follow in connection with social security, particularly for older persons, was to make necessary adjustments on a cost of living basis. If that course were followed, then the amount of the increase to be given to the old age pensioners would be very, very small because one of the most remarkable contributions that has been made by this government since 1957 has been that we have been able to prevent inflation. We have been able to maintain the Canadian dollar and its purchasing power, a course which should have been adopted for several years prior to 1957 when the increase in the cost of living continued unabated to a very considerable extent.

I referred also in that speech to the war pensioners and to civil servants, and I might add by way of keeping the record clear, that this government has seen that these groups have received justice during the period we have been in office.

Now, having given the matter the very fullest consideration we have come to a conclusion, and legislation will be placed before the house. Old age pensions will be increased by $10 a month and the amount of increase we contribute to old age assistance, blind pensioners and disabled persons will be on the same basis.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: While those who represent the N.D.P. will naturally speak of this as being meagre—a "pittance" is the usual expression of the hon. member for Assiniboia applied to anything done in that connection—I would like someone to examine the situation in the province of Saskatchewan regarding social security measures for which the province could give extra assistance. He would find that while the members of that party are loud in their protestations in the House of Commons, yet in the province of Saskatchewan, the amounts paid by way of old age assistance and other forms of assistance are less than in some other provinces throughout the country.

I should also add that when that party came out in favour of $75 a month the Leader of the Opposition, speaking with the restraint which he displays from time to time, stated that such an amount was ridiculous and could not be provided.

Mr. Pearson: On a point of order, Mr. Speaker, I should like to point out that the Prime Minister, speaking with the inaccuracy for which he is famous, has again misquoted me. I said that a sum of that magnitude applied after 65 years as well as the increase in amount, was irresponsible at this time.

Mr. Diefenbaker: That was before the hon. gentleman came out with his policy, which upon examination proved so nebulous. Its purpose was simply to mislead the old people of this country into believing that in one year after a change of government they would receive the full amount.

Mr. Pearson: So they will.

Mr. Diefenbaker: Its purpose was to make them believe that in one year after a change of government they would receive $75 a month but he, in November, said it could not be provided by any responsible government.

Mr. Pearson: It can and it will.

Mr. Diefenbaker: I intend to make some further references to the literature of the Liberal party which claims that the Liberals "have the answer." That is their 1962 slogan; but I am sure all the older people in the country will remember that in 1957 too the Liberals had the answer for them, the answer being an addition of $6. They are the same old group now as they were then, the same assortment that said $6 was enough in 1957. I shall say nothing further regarding social security now but will deal with it again when the measures are before the house.

Now, due to the interruption of the hon. member for Assiniboia last night I wish to make reference at somewhat greater length than I had intended to matters which I referred to earlier. That interruption will be found at page 75 of *Hansard* where the hon. member for Laurier (Mr. Chevrier) is reported as asking a question as to whether the speech from the throne would be interrupted this week "to deal with matters referred to earlier by the Prime Minister". It reads:

> Mr. Churchill: Mr. Speaker, I do not think we need to look too far ahead just yet. We will continue with the speech from the throne tomorrow.
>
> Mr. Argue: Shame. Let us make the payments. Come on.

He was referring to the acreage payments, and that brought to mind something he wants to forget, because he has adopted the attitude of speaking with authority for the farmers. However, I well remember the reply given by him on August 30, 1958, when we introduced the system of acreage payments. It is to be found on page 4348 of *Hansard* in the speech of the Leader of the Opposition who said:

> We are quite sure, on this side, that the grain producers, with that problem before them, will welcome this particular assistance, will welcome this particular grant though they may be disappointed in the amount. I have no doubt that when my hon. friend from Assiniboia gets up immediately after I conclude he will call it peanuts.
>
> Mr. Argue: I did that a couple of days ago. I shall call it a pittance today.

The hon. member now knows the extent to which the farmers of western Canada welcome the "pittance" of August, 1958 and that of January, 1962. They recognize this system is fair and is particularly helpful to the small farmers. It actually represents an amount equivalent to the two-price system being distributed, not on the bushel system, which would mean the larger farmers receiving a disproportionate amount, but in a manner that makes possible distribution among the small farmers in reasonable equality.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Last night when dealing with our wheat sales abroad I mentioned the tremendous increase that had taken place in export sales, not only in wheat but in other products. I think it should be placed on the record that concerning capital goods this government has encouraged long term financing of exports in order to ensure that we can

successfully compete in other parts of the world. This long term financing of exports of capital goods was made possible by an amendment to the Export Credits Insurance Act in 1961, which provided $200 million for that purpose. Under this legislation contracts involving export sales of $41 million worth of capital goods have been concluded, and cabinet approval has been given to provide an additional $100 million. The speech from the throne, states that the government proposes to raise the ceiling from the present figure of $200 million on total funds available to finance the export of Canadian capital goods. All these things have been beneficial to Canada and are today paying dividends as shown in the national economic recovery.

In connection with wheat and livestock in general, there has been a farm cash income from cattle 10 per cent above that of 1960. With regard to dairy products there is a problem with the surplus of butter, and this is being studied. Income from dairy products for the first nine months of the year are higher than for the corresponding period a year earlier.

The export of wheat and wheat flour last year reached the very high level of 354 million bushels. I remember that when the Minister of Veterans Affairs (Mr. Churchill), then minister of trade and commerce, stated some years ago that 300 million bushels would be the aim, this was ridiculed by the opposition. Yet in the year 1961 we achieved a level of more than 50 million bushels beyond what was estimated at that time.

The strengthening of Canada's position as the largest seller of wheat in the commercial markets of the world has come about as a consequence of tremendous sales efforts made by various departments of the government, in particular the departments of agriculture and trade and commerce. Our traditional markets remained strong in 1961, with sales to Japan reaching a record level.

I should add that I visited Japan in response to a repeated invitation. I stayed there for a period of four or five days. There is in Japan an interest in Canada, a recognition of this country and a realization that Japan is going to continue to take its place with the free nations of the world to maintain freedom and the economic strength of each and every member of the free world.

Heavy European purchases virtually exhausted our stocks of Durum wheat. Besides the sales that were made to China providing so much employment in Vancouver and other coast ports, sales were made to Poland and Czechoslovakia. Along with these booming sales we have experienced substantial increases in price. Not many months ago the price of wheat at Fort William was $1.67. It is now close to the international wheat agreement maximum price of $1.90. Contributing to this increase was the government's action in reducing the value of the Canadian dollar as compared with the United States dollar. This step brought about improvement in prices generally for agricultural products for export and increased the opportunities for Canadians to export. Further, no effort has been spared to lessen the effects of the severe drought in the west during the past year.

With regard to the payments estimated for 1961, cash farm income was $2.9 billion; realized gross income, $3.3 billion; realized net income $1.4 billion. These are all slightly above the corresponding figures for 1960 in spite of the sharply reduced output on the prairies.

I thought I ought to make reference to the agricultural situation, which was another matter to which the Leader of the Opposition (Mr. Pearson) did not refer. I am sure that as he travelled across Canada in his pilgrimages, he found everywhere appreciation for what this government has done to maintain agricultural prices in all parts of our country.

As I listened to the hon. gentleman yesterday I began to look back a few months. I looked back to that gathering of the seers in Kingston in September, 1960. That was a gathering to which I think more and more attention will be paid than in the past. I repeat that the slogan for the election, whenever it comes, is "The Liberals have the answer".

Mr. Pickersgill: "Live Grits for dead Tories".

Mr. Diefenbaker: I like interruptions from the hon. gentleman. Whenever I want to get a laugh anywhere across Canada I just mention his name. I was dealing with that meeting.

Mr. Hellyer: They cry when we mention yours.

An hon. Member: That is just little boy talk.

Mr. Pearson: Non-intervention.

Mr. Diefenbaker: I want to recall this because I know my hon. friends opposite do not want to hear about this conference. I intend to refer to it in some particular because those who were the heads of that conference, those who expressed themselves at that conference, are now the cornerstone of this new temple, the new Liberals who allegedly have the answer. The chairman was Walter Gordon.

Mr. Pearson: I thought they were the same old gang. Make up your mind.

Mr. Diefenbaker: Then there were the various committees: Maurice Lamontagne, unemployment, fiscal policy, monetary policy; Mitchell Sharp, foreign policy; C. M. Drury, vice chairman; T. W. Kent, vice chairman. This is quite an interesting gathering. All these people are now receiving more than usual attention from the leadership of the Liberal party.

They gathered together there. Hon. gentlemen opposite speak about circuses. I think of that gathering at Kingston as the circus of the bureaucrats. The gathering of those who today are in the leadership of the Liberal party includes the very same people who in the days of war and from 1945 on paralysed parliament.

Mr. Pearson: Oh.

Mr. Diefenbaker: They paralysed parliament and interfered with the rights of the provinces. They believe that desirable economic objectives can only be attained by turning a nation into a disciplined and controlled unit. They believe that the principles they followed in the days of war and under those so-called emergency legislation enactments following the war are once more to be imposed upon the Canadian people.

I am going to refer in particular to quotations from the statements they made. We do not accept those principles. We have not lost, as they have, our belief in democracy. We believe that changes must take place; that they should be within the framework of the constitution and without invading that constitution. Some of the recommendations that were made at that conference would once more require the implementation of emergency legislation in Canada depriving the provinces of their rights and invading the jurisdiction of the provinces.

I think of these people. I am not going to name them all, but most will be able to identify those who treated parliament with patent and unconcealed contempt and deprived it of its rights, those men referred to as bureaucrats in a previous government. They were our masters. That is what we fought against year after year in this House of Commons. These are the men who want that power again and they have made it clear that they are ready to act in accordance with the statements they have made. These are the men who bypassed parliament, the men who found it easier to rule by order in council under so-called emergency legislation. These are the men represented by the statement made in the House of Commons on April 21, 1953 by the minister of trade and commerce of that day, whose deputy minister was Mitchell Sharp—"If we have overstepped our powers I make no apology for doing so". These are the bright bureaucratic boys. These were the dictators who dominated Canada. I shall refer, as well, to some of those recently acquired and the views which they expressed at that particular time.

The Leader of the Opposition (Mr. Pearson) spoke yesterday as he always does about mumble and jumble and disorganization. I notice that Mr. Drury was one of this distinguished group. He was deputy minister of defence when Mr. Currie made his report. That report was made, it will be recalled, in 1953 and this is what Mr. Currie said:

> The conclusion I have come to is that while there has been a general breakdown in the system of administration, supervision and accounting—

"A general breakdown". This is one of the pilots of Liberalism of today. He said there had been a general breakdown in the system of administration, supervision and accounting in the whole department of defence. Then the report adds this:

> —it was only at Petawawa that extensive irregularities over a prolonged period of time took place.

I intend to refer now—not because I do not want to see outstanding men desirous of coming into public life—to some of them.

An hon. Member: Don't smear them.

Mr. Diefenbaker: Everyone wants to see the best come into public life, but it is a strange, strange thing, this agglomeration, this grouping. You can see it forming every day. They had the answers in 1945-1957. It is the same old bunch. When I read that the Leader of the Opposition describes his party as the new Liberal party I look over and see the same old faces that were there in the old party. In the advertising, or in the resolutions, they are referred to now as the new Liberal party. Why is that? I suppose it is the sting of conscience. I ordinarily would refer here to those who constitute the philosophical wing were it not for the fact that the philosophical wing appears now to be in control.

I should refer first to Mr. Lamontagne. He is also a candidate. He made a speech at Kingston, and I intend to give the Leader of the Opposition an opportunity again to say whether or not he agrees with the views of his advisers—views which have been revealed so clearly at that conference and since. Mr. Lamontagne made a certain statement, and I have the quotation here. He advocated rigid state controls to achieve the triple objective of the Liberal party. Controls, and it could be done. That was the Lamontagne

thesis. The Saskatoon *Star-Phoenix*, a paper which has certainly never been one of our major supporters, said of this:

A government sworn to all three objectives would need to rule with whips and scorpions.

So this is the new philosophy. The Hamilton *Spectator* said this was "back door socialism". That may be the reason why the hon. member for Assiniboia (Mr. Argue) is reported as having ambitions to join with some of the hon. gentlemen who are now sitting opposite me.

Some hon. Members: Oh.

Mr. Diefenbaker: After all—and the hon. member for Assiniboia is always most congenial—when his own party will not use the word "socialism" any more he is bound to go to some who hold that view.

Then the Quebec *Chronicle-Telegraph* said of those remarks of Mr. Lamontagne:

That lecture would have been worth its weight in gold to Fidel Castro.

These are the views which are broadcast across Canada. I intend to quote the references because these are the men who were in the background before. Now they are in the foreground. These are the philosophers, and we want to know the extent to which advisers who hold these views are listened to when they give advice. The Ottawa *Journal* had this to say about it:

The refrain which ran all through the Kingston conclave was the refrain of the state as a shepherd.

Among other things I have a list here of what is proposed. There is the price board. I ask the Leader of the Opposition whether he believes in this price control board, this so-called conciliation board. Is this the way in which the Liberals are going to control the economy of Canada?

The determination of monetary policy and the management of the public debt should be divorced. A special and permanent price conciliation board could be set up or this task could be assigned to an enlarged and stronger restrictive trade practices commission. It is desirable that those who enjoy special monopolistic controls within our so-called free and competitive system be submitted to a scheme of public supervision. Moreover, such a scheme appears necessary if we really want to prevent market power inflation and the unfair distribution of the national income which it creates.

I ask the Leader of the Opposition: are these the views of Mr. Lamontagne, an adviser today of the first rank? Do they represent the kind of Canada that the Liberal party would bring into being if it should obtain power; or are these just statements that were made for the information of the assembled conclave, not intended to be carried into effect? What are some of the views? The Victoria daily *Times* is not a paper that is regularly antipathetic to the Liberal party, and in an editorial it has this to say with reference to this speech:

—his speech at a recent unofficial conference of liberally-minded Canadians . . . does not represent Liberal party policy.

Then it goes on to say:

It seems unlikely that the Liberal party is ready to embrace what can only be considered a repudiation of its basic philosophy and its policy in office. . . . The board's ruling would not be final, a price increase could be effected even over the board's objection, but the intention of the device is to concentrate the power of the state and of public opinion against the increase. This is state control of prices by indirection and inevitably would lead in the end to direct control.

The Winnipeg *Tribune* points out the same situation. I am not going into detail but it says that this is a serious matter. Even the Winnipeg *Free Press* could not swallow this doctrine. It had this to say:

The power to legislate with regard to prices has a history which is of general interest in view of the proposal by Mr. Maurice Lamontagne at the recent conference of Liberals at Queen's University.

Then it says this:

Price fixing by governments must inevitably lead to confusion, uncertainty and inefficiency.

The Saskatoon *Star-Phoenix* says:

Disagreement continues to mount over certain policies and proposals advocated at the conference of liberally-minded individuals . . . A proposal made by Professor Maurice Lamontagne, economic adviser to Liberal leader L. B. Pearson, has evoked strong opposition. Mr. Lamontagne's proposal included the establishment of a federal board which would approve or oppose price increases by monopolies.

Then it says:

Apart from the fact that Mr. Lamontagne's proposal contravenes long-established Liberal policy—

That may be the reason for calling themselves the new Liberal party now.

—it points up the way in which the so-called "ginger group" . . . would dictate Liberal policy.

That is the dream of Mr. Lamontagne.

The Winnipeg *Free Press* said: this proposal means an attempt by the federal government to regulate so-called monopolies with regard to prices. The Quebec *Chronicle-Telegraph* takes the same view and says that this is a policy that is contrary to the principles of free enterprise and a denial of the principles of old Liberalism. Well, that is not all. Mr. Lamontagne occupies a central position and no doubt will be able to expound these doctrines in the days ahead.

Recently, however, there was another acquisition, Mr. Tom Kent, a very fine gentleman. He is a special assistant. I wonder whether he has the answers. I know that when the Leader of the Opposition appointed him he said, "he will serve in an anonymous and inarticulate capacity". Mr. Lamontagne

was not in that position. Mr. Kent has the answers, 67 pages of them, which he placed before this conference. If his doctrine is not acceptable, why is it that he is taken into the family as an adviser? I do not have to make any observations about it. The Regina *Leader-Post* said this:

. . . the inarticulate Mr. Kent has already acquired considerable prominence for his radical views and for his advocacy of planning and restrictions imposed on business by government. In his silent service behind the Liberal throne, the assumption is Mr. Kent will attempt to mould Liberal policies to conform with his personal views. This cannot be other than disturbing to many faithful followers of the Liberal party.

I understand that. That is why it is new. The new Liberal party has the answers.

Their Liberalism has moved a long way from outmoded laissez faire concepts. They acknowledge the state has a role to play in safeguarding the public from abuses in our private enterprise economy. But their thinking has not reached the extreme position held by Mr. Kent that private business and the corporations are speeding to their doom and desperately need rescuing through government intervention.

I am going to give the Leader of the Opposition an opportunity to clarify this matter so that we will understand exactly the degree to which these views constitute the reason for the program, "The Liberals Have the Answer", which is being distributed across Canada.

Mr. Kent pointed to expenditures "on advertising and merchandising generally" for immediate government scrutiny.

He is going to get all the papers in Canada under his control.

While not enlarging on what "merchandizing generally" covered—

I am still quoting from the Regina *Leader-Post* which is often quoted as a model of correctness.

—he singled out advertising, proposing that by stages expenditures in this category become non-deductible for income tax purposes. Later, he hedged somewhat in declaring he did not pretend to complete certainty that "this is the right thing to do." But he added he was "quite sure that it would yield great benefits" in averting the present alleged waste of money and talents in the stimulation of "unimportant wants."

Is that the Liberal party concept?

Mr. Kent evidently is among those who would save the people from their own follies in spending their money as they desire. He suggested that with less spent on "unimportant wants"—

That is, advertising, merchandising.

—there would be more money "for schools and the rest." This, in turn, suggests the tax collector will gather the money the people cease to spend foolishly for use "for schools and the rest."

Mr. Kent expressed the somewhat arresting view that since advertising expenses are deductible before profits are determined, the government in effect is subsidizing advertising.

I want to give the Leader of the Opposition this chance. Are the views of Mr. Lamontagne and Mr. Kent the views of the new Liberal party? Does he accept them? I am going to be very reasonable. He can pick whichever horn of the dilemma he wants. He can pick the most comfortable of these two horns. Let me read on.

To one holding Mr. Kent's views, it would be but a short hop into a socialized state.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I see a smile on the face of the house leader of the N.D.P., and there is reason for that smile. Listen to the next sentence.

It seems that Mr. Kent would be more at home as a consultant to a party other than the Liberal party.

I am going to read some excerpts from this philosophy, for this was a gathering of the erstwhile bureaucrats of the war period and the period immediately thereafter and others variously gathered together. These are some of the ideas. Would there be any increase in social security if Mr. Kent had anything to do with it? I refer to page 39, and this is a long statement, Mr. Speaker. This is what he says:

The measures I have suggested do not include any increase in general social payments such as family allowances and pensions. If we are to maintain that exclusion, as I believe we should, because other measures are far more urgent—we must recognize that there are many welfare problems hardly touched.

Then he comes out with his views about taxes. The Leader of the Opposition says that taxes are too high. May I say that there are 75,000 Canadians paying less income tax today than they were paying when we came into office.

An hon. Member: Seventy five per cent.

Mr. Pearson: Get the facts straight.

Mr. Diefenbaker: I am grateful for the assistance of hon. gentlemen opposite. Seventy five per cent of Canadian income taxpayers are paying less today than they were paying when this government came into office. I speak to the Leader of the Opposition through you, Mr. Speaker, and remind him of the words—the wise words, as I think they were once referred to by the Leader of the Opposition—of Mr. Kent. Let me read what he has to say about taxation:

I am not, of course, arguing that we owe all this to high taxes . . . But the fact is that high taxes have not prevented an economic performance that is, by all previous standards, good.

That was in September, 1960.

The burden of proof is on those who claim that taxes at the present level do economic damage, compared with what would happen if governments

spent less and individuals were able to spend more . . . It follows that, while a sharp rise in tax rates certainly has some "disincentive" effect at first, it will weaken, not strengthen, as people grow accustomed to the new tax levels.

This is the philosophy of the new Liberal party, the Liberal party that, it is said, has the answer.

It is hard, in other words, to see that taxation at the levels to which we are now accustomed exercises any large restraining influence on economic activities.

I simply quote these observations by way of answer to some of the statements that were made by the hon. gentleman. The quotation continues:

In short, the conventional arguments about the anti-productive effects of taxation are unacceptable.

Then he goes on to say this:

We have, in other words, to ensure that our economy does in fact work successfully—fairly, efficiently, inventively—while sustaining a bigger tax burden.

Is that the new Liberal party policy? Is that the answer they have? Then he comes out with this idea. The people across Canada will be interested to learn that the chief adviser to the Leader of the Opposition who has now been taken unto his bosom in an even closer relationship, said this:

The major step to greater equality lies, however, in steeper taxation of inheritances.

Is that the new Liberal answer? Is that what is meant when it is said that the Liberal party has the answer? Then he explains the statement:

There is no justification for such large inequalities of opportunity as survive our present succession duties and gift taxes.

Is that one of the answers they have? He continues:

The proper basis of taxation is, I suggest, the individual's total receipts, in inheritance and gifts, from one source or several; and beyond some modest total, they should be taxed on a considerably steeper scale than now operates.

I again give the Leader of the Opposition the opportunity of saying whether this is the philosophy of the new Liberal party. If not, I cannot understand the appointment of advisers who hold to doctrines that are so economically difficult to accept.

Then we come to advertising:

The only solution—

Everything is swept away there.

—therefore lies through public policy. It is the proper role of government to step in and alter the incentives—not to interfere and lay down detailed instructions about what should be done or not done, but simply to make advertising less attractive.

What is this doctrine enunciated by a man who has occupied such positions as the editorship of the *Free Press*? Is this the doctrine that we are to have placed before the people of Canada or is it going to be kept in the background? I think one can guess the answer to that question. He states further:

In principle, there is no reason why advertising should not be taxed, like liquor or gasoline or thousands of other useful things . . . the better first approach probably is to refuse to allow advertising, and perhaps other merchandising expenditures, for tax purposes.

Here in my hand I hold material bearing the slogan "The Liberals have the answer". I hope the Leader of the Opposition will tell us the degree to which he, Mr. Kent, and Mr. Lamontagne diverge. This is strange doctrine. We continue on from there. If we get away from allowing advertising as a deduction, these are the great results that will follow:

If, for example, we did reduce advertising, it would thereby become easier also to raise existing taxes on consumption—liquor revenues, gas tax, vehicle licences, real property taxes, and general sales tax.

Do you see the unveiling of this remarkable economic charter of Canada's Liberalism? If we did this we would be able to increase liquor revenue, gas taxes and finally the sales tax. Then he continues:

Our provincial premiers could better have their day.

Then he goes on to say this:

Having mentioned property taxes, which so closely affect the most poverty stricken of our three levels of government, I would say that here increases seem very reasonable.

Then he finally sums it all up in this way:

While a general capital gains tax has many undesirable features, and certainly is not to be preferred to increased taxation of inheritance, there is a very great deal to be said for a specific tax on increments in property values.

Is that the new financial direction of the new Liberal party? I could give a number of quotations with regard to this matter but I do not think it is necessary. I have simply placed before you, Mr. Speaker, the basic doctrine and the basic supports that stand behind the Leader of the Opposition and his advisers who daily or regularly place these views before him. Speaking of circuses, may I say that I wish to see the Leader of the Opposition perform. Does he accept the views of Mr. Lamontagne and of Mr. Kent? Again I give him a choice. He can say yes or he can say no. That will be a performance compared with which the acrobatics exhibition one could see in any circus would appear most modest. I hope the Leader of the Opposition will reply at the earliest opportunity.

Mr. Pearson: Will the Prime Minister turn around? We cannot hear him.

Mr. Diefenbaker: These views are economic nonsense. That is all they are.

Mr. Pearson: Mr. Speaker, the Prime Minister has, in his somewhat agitated and personal attack on certain persons who cannot defend themselves in this house, asked me a question. I am asking him if he would like an answer to the question now?

Mr. Diefenbaker: Yes.

Mr. Pearson: I was asked certain questions about statements expressed by individuals at a conference at Queen's University some years ago. The Prime Minister, being the head of the Tory government, will have a very difficult time understanding, but this congress—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: That is not an answer to the question. Do you approve of these statements or do you not?

Mr. Pearson: I want to answer the question. I said the Prime Minister may have difficulty in understanding this, but at this conference it was made clear that there would be a free, open and full discussion and the people would be speaking there in their individual, personal capacities. Therefore—sit down, Mr. Prime Minister, sit down—it would be just as foolish for the Prime Minister to assume that those who made statements at that conference were speaking—be calm, sir—that those who were speaking at that time were laying down policies for the Liberal party as it would be for me to assume that Mr. John Fisher, in his statements in earlier years, was reflecting the views of the Tory government today.

Mr. Diefenbaker: I have been waiting for an answer. He would not answer the question. How could he answer it and not accept people with doctrines which he does not uphold, because he is afraid to say he agrees with them. These people have become the philosophic segment of the Liberal party and the advisers to the Leader of the Opposition. They were appointed, at least Mr. Kent was, since they expounded these views. The answer of the Leader of the Opposition makes it clear what the situation is. In spite of the views that they hold and held and declared, he says they do not necessarily represent his views but he appoints them as advisers. About what are they advising him? Why get advice on matters which you are not going to accept? I leave it to the common sense of the house and the country to answer that question. Now, we begin to see something of the meaning of the new Liberal party.

Mr. Pearson: Before the Prime Minister leaves this, I wonder if he would accept a question?

Mr. Speaker: Order.

Mr. Diefenbaker: I made way for the hon. gentleman, but instead of answering he blustered.

Now then, Mr. Speaker, I come to one other matter and that is the prophecies the Leader of the Opposition has made. You know, he is a man of tremendous defiance. In 1958, he said "Bring on the election; the sooner the better". Then, when we brought it on he said, "Well, I did not expect you to do that."

Mr. Pearson: Why are you always looking back? Look ahead.

Mr. Diefenbaker: It is easy to be defiant when it is vocal defiance. I want to go back over the predictions.

Mr. Pearson: You are always going back look ahead.

Mr. Diefenbaker: I want to read some of the predictions in 1958—"by their words you shall judge them". Speaking in Vancouver in February, 1958, he said:

> The Liberal party is going to make gains in every province.

If they come as close next time as after these prophecies that were being made, we will be quite satisfied. On February 22, 1958, at Cobourg, the Leader of the Opposition was asked to forecast the next federal cabinet. He said, "All I can tell you is it will be Liberal." Then, on March 26, we find this quotation in the Toronto *Globe and Mail*:

> In the past two weeks there has been a great change in public opinion in favour of the Liberals.

A little later he said:

> I have found a great revival in the party, a new spirit of energy and enthusiasm . . . we have a future.

They also have a past. At another point, he said:

> I have been stimulated and encouraged by what can only be called a revival of Liberalism.

On November 6, 1957, he said:

> The Liberal party has nothing to worry about in facing the voters in the next dominion election.

Then, when they are talking about the situation in one province, Quebec, it is well to go back to see what they were saying. I am not going to mention the prophecies of the hon. member for Assiniboia (Mr. Argue) with regard to Saskatchewan. I have them here.

Mr. Argue: I am being overlooked.

Mr. Diefenbaker: I want to mention the prophecies with regard to Quebec because the hon. member for Essex East (Mr. Martin) makes prophecies regularly. About two weeks

before the election the hon. member for Essex East was at Westmount. I do not know whether or not he had any of the frontbenchers with him at that time. However, he charged that rumours started by the Tories that the Liberal party had been weakening in Quebec province were sheer propaganda and not substantiated by facts. He said:

> Actually, we not only expect to get all our seats back but expect to gain two additional ones.

I read this simply for the purpose of keeping the record clear as to the kind of prophecy that was made then. Finally, at Chambly, Quebec, the hon. member for Essex East went on to say this:

> Not only will we hold all our seats in Quebec but we will take two more.

He was at least consistent at that time. I have before me, but I am not going to use it, an article that appeared in the Windsor daily *Star*. If the hon. member were here I might use it because it deals with that matter, too.

My colleagues, Mr. Speaker, will deal with the various matters with which I have not dealt.

Mr. Pearson: What is to be dealt with?

Mr. Diefenbaker: I have not too greatly exceeded the length of time taken by the Leader of the Opposition.

Mr. Chevrier: But you got lost several times.

Mr. Diefenbaker: We have our problems, and they are joint problems. We have tried to meet those problems honestly and fairly. Yes, I will quote from the Windsor daily *Star*:

> We don't know what the outcome of the next election will be. We do know that the majority of the campaign promises made by the Tories have been carried out.

If one looks around the world, one sees the situation in the United Kingdom today. There, with the opening of parliament, strong men having strong views expressed them. In the United States, in Australia and in other countries they have gone through similar difficulties.

> The party in power has made blunders—they all do. But so far, there has been no pipe line "closure", no horses on the army payroll and—

Mr. Pickersgill: Your horses are in the Senate.

Mr. Diefenbaker:

> —no contempt for the people shown by many Liberals who held power for more than 20 years and now brand as stupid those Canadians who sincerely felt it was time for a change. In this man's opinion, the major weakness of the opposition, has been its willingness to be cry-babies, destructive critics but weak on solutions.

[Mr. Diefenbaker.]

Mr. Hazen Argue (Assiniboia): I have had the opportunity on former occasions, Mr. Speaker, to follow the Prime Minister in the throne speech debate and have often wondered what hour I might get in. On this occasion I almost wondered which day I was going to get in. The hon. member for Timmins (Mr. Martin) has just said I was lucky to get in at all, that the Prime Minister might have taken up the whole of the eight days in view of the reduction in the length of time allowed for the debate. Well, in any event, we have had the longest speech that the Prime Minister has yet delivered in the House of Commons.

Mr. Balcer: And the best.

Mr. Argue: But, so far as setting forth an economic program for the full development of Canadian resources, it has been the most barren. Our country has stagnated under the Conservative government in the last few years, and there has been more unemployment in this post-war period than in any similar period since the end of the war. We have already had statistics placed on the record showing by way of real per capita income how our country has been standing still, and in some years slipping backwards.

If one relates the loss of any increase in real incomes in Canada, then I would suggest that on a per capita basis Canadians have been losing at least $40 to $50 per year in incomes each and every year that this government has been in office. In 1957 real per capita purchasing power in Canada, based on constant 1949 dollars was $1,437. In the next year, 1958, this had dropped to $1,414, a decrease of $23. The year 1959 was almost the same, with more stagnation, more marking down, more indecision and ineffectiveness on the part of the government. Per capita income then was just $1,426, a meagre increase of $12, and in 1960 it was $1,425, a drop of $1 per person in real per capita purchasing power. The figures for 1961 are not available but the change in the gross national product, which would indicate an increase of some 1.3 per cent in real incomes, is still inadequate and is a very small increase in the real standards of living.

Before the Conservative government took office one heard criticism from time to time by working people that they were paying too much into the unemployment insurance fund, and they were objecting to paying into a fund that seemed to be getting larger and larger and larger. They asked why they should contribute to it since it always seemed to be growing; but now that criticism has ended. When this government came into office the fund began to wither away. So much unemployment created such a tremendous drain on the fund

that a surplus of $926 million on December 31, 1956, is apparently in imminent danger of being wiped out altogether.

What does the government say about this. In the throne speech it is stated:

> My government will also ask you to appropriate monies required in the unemployment insurance fund to safeguard the rights of workers until the report of the special committee inquiring into the unemployment insurance program has been received and can be acted upon.

That is an indication of a further $1 billion cost by this government to the people of Canada.

Now, Mr. Speaker, the Prime Minister has followed a regular procedure since taking office in allowing the Governor General the most meagre latitude in presenting the speech from the throne, after which the Prime Minister comes into the house and, day after day, speech after speech, does his best to garner the greatest possible amount of publicity. This year has been no exception. The Prime Minister has been doing it in stages. He was able to get in his prepared text last night before six o'clock and thus was able to scoop the news. He was able to get in more announcements in the evening and also some announcements this morning, but what he did not tell us is by what means the Canadian economy will be called upon to meet the many worth-while expenditures which he has announced.

He has given us one side of the financial ledger. He has said these are some of the expenditures his government is recommending. I am not objecting to the expenditures; I am in favour of them, but he has not been candid with the Canadian people when he has not told us how these expenditures in general would be met. One would expect the Minister of Finance to do so in a budget, and I suggest this government owes it to the Canadian people to present a budget in this parliament before an election is announced.

We are in favour of the legislation that the Prime Minister has announced and which is designed to bring about certain improvements which we have advocated for many years, and we are prepared today, tomorrow, and for the balance of the eight-day throne speech debate to set aside the regular business of the house so that we can go ahead with some of the measures that have been announced.

The Prime Minister (Mr. Diefenbaker) decides when the election will be held. We suggest that the legislation that has been forecast should be presented to parliament immediately so that the Canadian people will be assured that these measures are on the statute books.

We suggest further that the government should present its budget. When it has presented the legislation forecast and the budget, we shall then welcome an election or as soon thereafter as the government may care to call it. But we do not want any repetition of promises. We feel the Canadian public have a right to know how the moneys will be raised to meet the many important expenditures that are being announced.

Much has been said in this debate about Canada's position in external trade and the handling of the discussions with the United Kingdom surrounding the United Kingdom's proposal to join the European common market. Two different approaches have been taken. One thing is certain, the United Kingdom's plan to join the European common market does bring into very serious question the ability of Canada to hold the United Kingdom market for important products in the years ahead.

I have a publication here credited to the Minister of Trade and Commerce (Mr. Hees) and circulated through his department. It points out that the European common market will have very high tariffs against many Canadian products—a tariff against Canadian wheat of 20 per cent; against flour of 30 per cent; against tobacco of 30 per cent; against plywood of 15 per cent; against maple flooring of 10 per cent, and so on, right through many products that are most important to Canada's welfare.

This is the context in which the government is negotiating with the United Kingdom with regard to its entry into the European common market. We do not know what the outcome of these negotiations will be. We feel that it does in fact threaten the economic future of the Canadian nation. We feel there has to be some association of Canada with the European common market so that this huge market, this market of western nations, this market where standards of living are increasing, will be available to Canadian products.

We point out strongly that Canada had an opportunity in October, 1957 to do something about this question of our success in holding the United Kingdom market, when the free trade offer to Canada was made by the United Kingdom. We had a chance then to get into a common market between the United Kingdom and Canada. We had a chance then to secure the market in the United Kingdom for Canadian products. This government muffed the chance. This government failed. This government was too shortsighted to enunciate a policy. Following this, Britain has come to the conclusion that it has no choice but to join the European common market. Whatever serious repercussions may follow for Canadian trade, much of the blame can be laid at the doorstep of this administration which

failed to take appropriate action when the far reaching proposal of a free trade area between the United Kingdom and Canada was made.

There are many things in the speech from the throne with which we agree. There are many things that need further clarification. There is one statement which reads as follows:

> My government will ask you to take steps to ensure that the forthcoming redistribution of electoral districts is made in an equitable manner upon an objective basis.

We have heard a great deal about independent bodies. I take it the Prime Minister is suggesting that the method for the redistribution of seats in the House of Commons will be taken out of the hands of the House of Commons and given, at least in the first stages, to a so-called independent body. Let us hope it is independent. Let us hope it is not loaded with a bunch of Tory politicians. It is fine to say we are going to have an independent body. We shall look at the personnel of the independent body when it is appointed and if we think it is independent, we shall be pleased.

I suggest to the Prime Minister that if he wants an independent body he should have consultation with the other political parties in this country to try to work out an approved board or commission which will not be merely a plaything or in danger of being a plaything of the government, but will in fact have the confidence of the members of all parties in the house.

An hon. Member: Put Lamontagne on it.

Mr. Argue: We suggest also that in making this proposal the Prime Minister has failed to say what will happen in Saskatchewan. We read that Saskatchewan is likely to lose four seats.

An hon. Member: A poor government out there.

Mr. Argue: Somebody says, "A poor government out there". Will any measure be taken by this government or will any proposal be put before parliament that will reduce the loss to Saskatchewan in any redistribution that will take place? That is important. That question has not been answered. A former administration did something to reduce the loss of seats in that province. One would expect nothing less from the Prime Minister, who comes from Saskatchewan, than was given to that province by way of protection by a former administration.

We hear a great deal about national unity and it behoves all of us in the House of Commons to do everything we can to bring about a sense of national unity and of national purpose in this country. We would be blind if we did not realize that in the province of Quebec there are important sections which feel they should go the whole way by becoming a separate nation and withdrawing from confederation, which in my judgment has proven so successful in most respects over the years.

What is this government doing to suggest to the people of Quebec, to those whose mother tongue is French, that they have equal rights in our nation? I cannot say whether there is anything in the press reports that there was a paragraph in the speech from the throne that was to make the announcement that legislation would be brought in to provide bilingual cheques. It is said by the people in Quebec who take rather extreme views on certain of these questions that this will do very little to bring about their renewed confidence in confederation. That may be right. But why hesitate on a small matter—if this is a relatively small matter—with regard to the things necessary to bring about greater unity in our country? Parliament passed a bill on second reading on January 31, 1958 to provide for this, with only nine members opposing it. Is it significant that every single one was a Conservative? Why has not action been taken to bring about this very simple step forward of bilingual cheques?

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Argue: Mr. Speaker, when the house rose for the luncheon recess I was saying that the government had not moved forward in such a way as to give proper recognition of the bicultural nature of this country. The journey of the cabinet to Quebec city has already been highlighted in this debate. Very little came of that journey. One of the things that Canadians looked for was a recognition by the Prime Minister that members of the cabinet from the province of Quebec should take a more leading role. Consider the representation from the province of Quebec in this cabinet. We find one cabinet minister in the front row and five in the second. With the possible exception of the Minister of Transport (Mr. Balcer), who is not known to be particularly close to the Prime Minister, the people of the province of Quebec see their ministers in possession of very junior portfolios. I suggest this is one of the ways in which the Prime Minister has failed to give

proper recognition to the people of Quebec and to the bicultural and bilingual nature of our country.

The Prime Minister announced this morning that we are to see some increase in the old age pensions—an increase of $10 a month. That is welcome. It is long overdue. The policy of this party in this regard is clear. We say the minimum pension should be $75 a month and that on the basis of this minimum should be built up an adequate pension system. We thought this was perhaps what the government had in mind but it appears from the letter addressed to the premier of Ontario, which was tabled, that the government does not have in mind a general, comprehensive old age retirement plan but rather a plan in which a further means test will be used—a plan which will not embrace in any way those who are now covered by private pensions. We shall have some further remarks to make on this subject if and when the government gives us the advantage of seeing this legislation. As we see it now from the details contained in the letter, it would appear to be inadequate in many respects.

We regret that at this session the government has failed to move forward in the field of health insurance. I have an amendment which I wish to move at the conclusion of my remarks and this will make it clear that we feel the government should be moving forward to provide a prepaid medical care program for Canadians.

The Prime Minister spent some time dealing with the government's program for agriculture. He repeated time and time again in his presentation that the government program for agriculture was designed to assist the small farmer. I suggest that the general, overall program for agriculture is inadequate. It is hesitant and it does nothing to help farmers even small farmers in any particular fashion. I ask the Prime Minister: where are the deficiency payments for hogs? These were promised. We even had legislation. Where are the deficiency payments for eggs? The last was made in the fall of 1960. Egg prices have been scandalously low and still are scandalously low. Many farmers have marketed hogs and obtained prices less than the government's stated prices. What the government has done, through the Agricultural Prices Support Act, is to place these products on the open market and let the prices go as low as the market will allow. Where is the support price for poultry? There is no effective support price for hogs, eggs or poultry yet these are the products which many small farmers produce and in respect of which they desire support by way of price stabilization.

How does the government's program to take feed grain away from the wheat board help small farmers? It has, in fact, worked to the detriment of small farmers by making it impossible for the wheat board to control the sale of feed grains. As far as all farmers are concerned, this government is following the same course as it has in so many other fields—a lot of legislation, a lot of words, a lot of window dressing but very little by way of real benefit.

The Prime Minister says we are going to get some acreage payments. The day parliament opened he said he wanted the debate on the speech from the throne set aside at an early date. Then he talked for two days. We could have dealt with this matter yesterday, but he was talking. We could have taken it today, but he was still talking. He has not even said he would act tomorrow. Apparently he has changed his mind; he thinks there is no hurry now. The speech from the throne says that these payments are to be made because there was a drought. The matter is put in these words:

> The drought in the prairie provinces during 1961 has resulted in severe losses, however, and you will be asked to provide assistance by means of acreage payments to the farmers who have been affected.

The Prime Minister (Mr. Diefenbaker) comes into the house and in the light of the statement in the speech from the throne says that the acreage payments are to be in compensation for a two price system. Which is it? Or should I venture to suggest that there are going to be two acreage payments? There should be, one because there has been a drought—that is what the speech from the throne says—and the other because there should be compensation for the low price of wheat going into the domestic market.

The drought did not happen this winter; it happened last summer. The Prime Minister went out to check on the crop situation. He flew out and landed somewhere in northern Saskatchewan. He apparently looked at one or two crops of wheat and he issued a statement. He said that he was very pleased that crop conditions were not nearly as bad as he had expected. He landed where there was a crop but he did not go to the southern part the province where, throughout many areas, the yield was zero. There was no crop at all.

He sent the Minister of Agriculture (Mr. Hamilton) out a little later to check on the crop. Where did he go? He landed at Riceton and the television cameras were there, these press and television people who never look after the Minister of Agriculture according to the minister. They were right with him. They went to the farm of Gordon Brown of Riceton and the minister had his picture taken, in a dry area where many farmers had no crop, in front of a 20,000 bushel pile of wheat.

This tremendous publicity was spread across Canada. I am sure a lot of people in eastern Canada thought that the farmers of western Canada were simply crying once again and said to themselves, "Look at the great crop". Because the weather was hot the Minister of Agriculture had his picture taken with his shirt off. He may lose more than his shirt in the weeks ahead, but all this was very misleading propaganda.

The Minister of Agriculture then said and the Prime Minister agreed that the reason for not making acreage payments then was that the wheat board machinery was so busy turning out cheques for the farmers. If you want a laugh, that is all you have to tell the farmers. The Prime Minister and the Minister of Agriculture did not say as they should have that the wheat board could not print the cheques because there was no money. Surely it is a fundamental principle of parliamentary control of the purse that parliament has to vote the money first whether or not the machinery to print the cheques is working. Parliament was not asked last fall to provide the money. The Minister of Agriculture says that the machinery has broken down.

Mr. Pickersgill: The whole government has.

Mr. Argue: The machinery might have worked overtime. The truth is, Mr. Speaker, that here we have more misleading statements and further lack of action. Belatedly the Prime Minister now says, "We will do it; we will set aside the business of the house". The opposition say, "fine, let us do it immediately", but last night the leader of the house said, "Well, there is time; we will do it later".

We want action in this field and we want it now. I suggest that there should be a further and substantial increase in prairie farm assistance payments to compensate for crop failure, as well as the acreage payments to which the Prime Minister has referred.

The government takes credit for selling a lot of wheat and a lot of wheat has been sold. But other countries are doing fairly well too. Australia has been selling wheat to China. From December 1, 1960, to October 28, 1961, Australia sold 71 million bushels of wheat to China. In a much longer period, Canada sold 51 million bushels of wheat to China. Australia has done better. In the case of India, Australia sold 14 million bushels of wheat within that period of time while in the last crop year Canada sold less than 4 million bushels.

In the face of this kind of record the Minister of Agriculture was in Rome and he was going to go to the iron curtain countries. It has already been placed on the record by Victor Mackie of the Winnipeg *Free Press* that the Minister of Agriculture said he did not have time to sell any wheat because the Prime Minister wanted him to come home and go out on the hustings to make political campaign speeches across the country.

China has not bought any flour under the agreement. When some of us suggested that this was not a firm contract the government said, "Certainly it is a firm contract; China will take it". But China has not taken any flour. Mr. Mackie quotes the Minister of Agriculture as using these words:

> It is our attitude that there is no breach of contract by the Chinese if they do not take flour.

In other words, there would be no breach of contract if they did not take anything, because there was no contract. It was merely an exchange of letters which would result in a sale of wheat if the price is right, if we have the wheat, and if China wants it. There is a great job to be done in continuing to sell our wheat and I suggest that the Prime Minister would have been much better advised if he had allowed the Minister of Agriculture to go behind the iron curtain to continue to try to sell more wheat even to iron curtain countries, even to countries to which this government provides no diplomatic recognition.

What is the government doing for the small farmers? They said they were going to do a great deal. So far we have had no acreage payments. So far the debate on the speech from the throne has not been set aside to provide such payments. They say they have protected the farmers by their crop insurance scheme. In 1961 because of the drought net income from agriculture in the province of Saskatchewan fell to $122 million from $354 million, a drop of two thirds in one year because of the crop failure.

Where is the crop insurance plan? Oh, it is on the statute books. You can read it. It is there. It sounds good but very few farmers are able to afford it. The rates are too high. In the province of Manitoba about 25 per cent of the farmers are under the scheme. In Saskatchewan only 197 farmers out of 100,000 felt last year that they could afford the premiums under the act. There is little possibility of this legislation being used in any comprehensive way unless further and substantial amendments are made by the government so that the premiums may be reduced and so that there will be a reinsurance feature in order that in a time of widespread crop failure the costs may be borne not merely by provincial governments but also in some measure by the federal

government. We have had a lot of window dressing and a lot of things are being said, but not much is being done.

We had a controversy in the house last year, Mr. Speaker, about a certain pamphlet printed by the Department of Agriculture entitled "ARDA". It was distributed before the legislation was passed by the house. It was such a wonderful program that they distributed the literature on it early. The resolution was presented in the house on December 15, 1960. The minister was going to act. He was in a hurry. On May 22, 1961, he said, as found on page 5195 of *Hansard*:

—I hope in this year 1961, a minimum of at least one tentative agreement in each province for at least one pilot area and, I hope, several in each province.

My information is that not one agreement has been signed, not one.

Mr. Pickersgill: Too busy on the hustings.

Mr. Argue: But the literature is printed and propaganda is spread across the country. Apparently the government is more interested in propaganda in respect of their legislation than they are in actually doing anything. ARDA was introduced in the house in December, 1960, and up to now, January 1962, not one single tentative agreement has been signed. The government just appointed the director a few weeks ago. You see, Mr. Speaker, as long as the propaganda is in the offices of the agricultural representatives across the country and the government can spread their propaganda before the election, the small farmers about whom the Prime Minister waxes so eloquently can go without any of the benefits that might otherwise be available to them under the Agriculture Rehabilitation and Development Act. We are looking for action. There has been a profuse amount of window dressing but in many respects that I have detailed this afternoon this government has failed the small farmers, to say nothing of intermediate or larger farmers. We shall await further statements from the government. But if the Prime Minister (Mr. Diefenbaker) wishes these payments to be made, they can be put through this house without any further delay.

In the face of all the failings of the government that I have enumerated, Mr. Speaker, I wish to move, seconded by the hon. member for Kootenay West (Mr. Herridge):

That the amendment be amended by inserting the following words after the word 'country':

"including the failure to promote the planned development of our resources, sound monetary, fiscal, investment and trade policies which will develop our economy so as to provide:

1. expanding export markets for agricultural and industrial production;

2. full employment;

3. and, in co-operation with the provinces, a prepaid medical care program for all Canadians; and for these reasons"

The amendment as amended will therefore read as follows:

We respectfully affirm that Your Excellency's advisers, because of their continuing failure to bring forward policies to deal with the real problems confronting this country, including the failure to promote the planned development of our resources, sound monetary, fiscal, investment and trade policies which will develop our economy so as to provide:

1. expanding export markets for agricultural and industrial production;

2. full employment;

3. and, in co-operation with the provinces a prepaid medical care program for all Canadians; and for these reasons do not deserve the confidence of the House of Commons.

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, I should like to follow the Prime Minister (Mr. Diefenbaker) and the Leader of the Opposition (Mr. Pearson) in congratulating the mover (Mr. Bourdages) and the seconder (Mr. Browne, Vancouver-Kingsway), of the address in reply to the speech from the throne. I feel sure that all hon. members of the house will agree that they did an excellent job. They spoke clearly, concisely and objectively. I am sure that the people in their constituencies will feel as proud of them as we who are members of the same party felt of them on Friday afternoon.

Judging by the speeches of the Leader of the Opposition and the leader of the C.C.F. party, there is a distinct lack of knowledge on the part of the opposition with regard to the soundness of the Canadian economy today, and of our economic prospects for this year which we are just entering. Hence I thought that I should like to take a few minutes of the time of the house, Mr. Speaker, in order to speak about economic matters under five headings, namely

(1) economic indicators which show the progress which our economy has made during the past year; (2) what the government has done, and is doing, to assist our producers; (3) Britain's negotiations for entering the common market; (4) the progress which our economy has made since we formed the government in 1957; and (5) the economic outlook for 1962.

First of all, then, I should like to speak about the economic indicators which show where our economy has been going during the past year. The figures I shall quote are from the dominion bureau of statistics, and in every case are the latest figures available from the bureau.

1. Gross National Product: In the third quarter of 1961, the gross national product

reached a high of $37.4 billion on a seasonally adjusted basis. This was an increase of nearly $1 billion from its second quarter level, and represents a gain of 4 per cent over the same period a year earlier.

2. Consumer Spending: Consumer spending continued upward during the past year, and in the third quarter, was 4 per cent higher than in the third quarter a year ago.

3. Exports: Exports of goods and services advanced at an accelerated pace during the past year, rising by 2 per cent from the first to the second quarter, and by 6 per cent from the second to the third quarter. As the Prime Minister pointed out in his very eloquent and able presentation to the house, merchandise exports for the first ten months of the year showed an increase of 7.2 per cent from the same period a year earlier. In the latest three months comparison, the increase was twice as great, namely 14 per cent.

4. Industrial Production: A substantial advance has taken place in industrial production since March of 1961, and during the last three months for which figures are available—August, September and October—the index of industrial production was 6 per cent higher than a year earlier.

5. Personal Incomes: The trend in total personal income gathered strength as the pace of business quickened during the year. Following a moderate increase in the second quarter, personal income moved up strongly in the third quarter and reached a level 4 per cent higher than in the third quarter a year ago.

6. Labour Income: A principal factor in the stronger income trend has been the rapid increase in labour income. Labour earnings increased 4 per cent during the 12 months between October 1960 and October 1961, and in the latest three months were 5 per cent higher.

7. Corporate Profits: Corporate profits, which are particularly sensitive to changes in business conditions, have shown a rapid acceleration in 1961, and in the third quarter, were 10 per cent higher than a year earlier.

8. Employment: The total of those with jobs rose 1.6 per cent in 1961 in comparison with 1960. In the October-December period there was an increase of more than 2 per cent, and in December alone an increase of 3 per cent. These increases have been accounted for principally by the upsurge in manufacturing, and in the latest three months manufacturing employment showed a 6 per cent increase.

9. Unemployment: The trend in unemployment has been gradually downward since the beginning of 1961. By August, the number of unemployed persons had fallen below the level of a year earlier, and in December, was 18 per cent lower than in December a year ago. People who were unemployed in December were 115,000 fewer in number than in December a year ago.

10. Cost of Living: It is well known that in periods of rapid economic expansion heavy upward pressure is exerted on the level of prices and hence on the cost of living. For example, between 1949 and 1961 the index of consumer prices rose by 29 per cent, or an average of 2.4 per cent per year. It is most gratifying to note, therefore, that during the first 11 months of 1961 while the government's program of national economic development was building up, the consumer price index rose by only .8 per cent or one third of the average yearly increase during the previous 12 years.

Now, Mr. Speaker, I should like to outline the steps which the government has taken to help our producers achieve the very satisfactory results I have just mentioned.

1. We have lowered the exchange rate to a more realistic ratio with other world currencies which has had the effect of making Canadian exports more competitive in world markets, has discouraged excessive imports and has provided needed impetus to our tourist industry. The full benefits of this step should be felt increasingly during the year.

2. We have held trade and industrial conferences in Ottawa and the provinces to bring the services of the Department of Trade and Commerce directly to businessmen in all parts of Canada. By so doing we have stimulated their interest in export trade and helped them to produce more efficiently.

3. We have greatly expanded our trade mission and trade fair programs to show businessmen the opportunities which exist in foreign markets and help them display their products in these markets. These programs will be pushed forward and expanded during the present year. Businessmen have co-operated enthusiastically in the development of our trade mission program.

4. We have introduced export credit facilities to provide long term financing for capital goods exports. As the Prime Minister (Mr. Diefenbaker) said while he was speaking, sales to date for which contracts have been signed and which were made possible by use of export credits amount to approximately $41 million; credits which have been authorized by the government but for which sales are still being negotiated by the companies concerned, amount to approximately $100 million. Thus, $141 million in all has already been committed of the $200 million made available for long term export financing.

To provide further assistance to Canadian manufacturers of capital equipment and thus expand Canada's foreign trade and increase employment, the government proposes to ask for further legislation to amend the Export Credits Insurance Act, as has been announced in the speech from the throne. I shall, of course, be giving hon. members complete details when the proposed legislation is introduced later this session.

5. We have greatly expanded the functions of the industrial development bank to provide small and medium sized firms with a larger source of working capital.

6. We have made available loans to small businesses to release working capital for these small but very important industries which obviously had no alternative source of funds for growth.

7. We have introduced accelerated depreciation to encourage production of new products and the establishment of new industries in labour surplus areas. Since March of last year the department has approved applications for double depreciation on assets valued at close to $100 million. Sixty per cent of the approved assets relate to firms located in surplus manpower areas and a wide variety of new products will be manufactured with the approved assets. They include new types of steel, chemicals, electronics, plastics, foods, paper, textiles and many other products. At the present time applications for an additional $55 million are being considered by my department.

8. We have set up the national productivity council to help industry become more competitive and thereby increase sales and provide more jobs.

9. We have established a national design council and a national design branch within my department to assist Canadian industries with their design problems and by encouraging improved designs make possible more sales and more jobs.

10. We have introduced a domestic commercial service which is a completely new arm of the department and has been created to help new industry become established and to expand.

Now, Mr. Speaker, I should like to speak about Britain's application to enter the common market. In recent weeks few subjects have been more in the public mind than the British negotiations with the six member governments of the European economic community with a view to membership. The interest and concern of the Canadian business community regarding this important question is very natural indeed.

Early this month my cabinet colleagues and I enjoyed full and frank dicussions with Mr. Edward Heath, Lord Privy Seal of the British government, who is the minister responsible for Britain's current negotiations with the six. These useful and constructive talks were carried out in a most cordial atmosphere. Mr. Heath informed us of the current developments in the negotiations and stressed the efforts being made by Britain to safeguard the essential trade interests of Canada and other commonwealth countries.

For our part, we welcomed his statement and emphasized the extent and importance of Canadian interests in the British market. We were reassured as a result of this meeting that Great Britain has very much in mind the importance of Canadian trade interests in the United Kingdom and the need to do everything possible to safeguard those interests. We are co-operating closely with the British by providing full and complete information about Canadian interests in the British market in order that their negotiators may be in the best possible position to safeguard our trade interests.

They have asked for relevant data and this we are providing for the whole range of our exports to the United Kingdom. Today we have a group of senior and qualified officials on the spot for this purpose and to reinforce the officials who are already in Brussels and London. The officials concerned include the assistant deputy minister of trade and commerce, responsible for trade policy, and the head of the department's international trade relations branch. As the negotiations evolve we will be ensuring that the right men are in Brussels at the right time to meet the needs as they arise. Our concern is to make sure that the interests of all Canadian producers across the length and breadth of Canada are fully understood by the British. There will be, during the period of the negotiations, the closest co-operation between the British and Canadian governments.

I should like now, Mr. Speaker, to take a few moments to give a comparison of key indicators which show how the Canadian economy has progressed since 1956, the last year that a Liberal government held office. I will mention ten specific indicators. The first is total employment. In 1956 the total number of jobs amounted to 5,703,000; in November, 1961, 6,115,000, an increase of 452,000 jobs or an average of approximately 100,000 new jobs each year since this government took office. This represents an increase of 8 per cent in employment. Second, there is the gross national product. In 1956

the gross national product amounted to $30.6 billion; in 1961, the annual rate in the third quarter was $37.4 billion, an increase of $6.8 billion or 22 per cent. Dealing with exports, merchandise only, in 1956 the total was $4.8 billion and in 1961, taking the latest 12 months as October, 1960, to October 1961, they were $5.7 billion, an increase of $900 million, or 19 per cent.

For imports, merchandise only, the figure in 1956 was $5.5 billion, and in 1961—the latest 12 months—$5.7 billion, an increase of $200 million. Those figures show how this government during the past four and a half years has achieved the first positive trade balance since 1952.

Total personal income in 1956 was $21.9 billion, and in 1961 the annual rate, third quarter, was $28.7 billion, an increase of $6.8 billion, which is an increase of 30 per cent.

Labour income in 1960 was $14.9 billion and in 1961 the annual rate, third quarter, was $19.5, an increase of $4.6 billion, or an increase of 30 per cent.

Corporation profits in 1956 were $2.91 billion and in 1961 the annual rate, third quarter, $3.55 billion, an increase of $640 million, or 22 per cent.

With regard to the industrial production index, October, 1949 is taken as 100. The index in 1956 was 155 and in 1961 it had risen to 177, a gain of 22 points, or an increase of 14 per cent in industrial production.

Consumer spending in 1956 was $18.8 billion and in 1961 the annual rate, third quarter, was $24.6 billion, an increase of $5.8 billion, or 30 per cent.

Total personal savings in 1956 amounted to $1.3 billion while in 1961 the annual rate, third quarter, was $1.7 billion, an increase of $400 million, or 30 per cent. These figures, Mr. Speaker, I believe make it clear how the economy has fared under this government and show how it has grown steadily and at the present time is in a very strong and satisfactory condition.

Mr. Pickersgill: Are you satisfied? I wonder would the minister permit me to ask him a question?

Mr. Hees: I will after I finish speaking, as I have only a limited time. I would be pleased to answer any questions afterwards.

Yesterday, the Leader of the Opposition quoted certain newspapers when trying to run down Canada and prove in some way that our economy is not sound, trying as I take it to discourage investment in our country—because that is the effect of what he did. We know the reason why he says these things is to try to convince the electorate that the economy is not in good shape, which is not the case. The Leader of the Opposition quoted certain foreign newspapers. I, however, would like to quote not from an English newspaper or others published outside Canada, but from newspapers which are published in our own country.

Mr. Pickersgill: The servile press.

Mr. Hees: I quote from the *Financial Post* of January 20, the latest issue, and this I believe is an objective newspaper which certainly has never done anything to bolster the fortunes of the Conservative party and has never been opposed, as I know it, to the Liberal party. On its front page it carries the heading:

> The OUTLOOK—Weekly roundup of the latest facts and expert opinion on the economic weather ahead . . .

In this article Mr. Dalton Robertson says the following:

> Three recent developments in the Canadian economy—in goods, in men, in money—reflect the burgeoning expansion of business and hold out the prospect of good times through 1962.
>
> Canada's unemployment situation is sharply healthier than it was six months ago or a year ago.
>
> At mid-December, seasonal factors discounted, only 6.1 per cent of the work force was unemployed. This compares with 7.4 per cent as recently as last July and a record high of 7.9 per cent a year earlier.
>
> With the underlying trend in unemployment downward throughout 1961—in contrast to upward through 1960—it is clear that the business recovery is broadening and strengthening in the places where it counts most.
>
> The forcefulness of the upturn in business activity shows in these bright facts:
>
> Unemployments increase between November and December—or between September and December for that matter—is the smallest in any of the past five years. At the same time, the seasonal decline in employment between November and December is one of the smallest on record.
>
> The 180,000 increase in employment over the past year is proportionally equal for both men and women—distinct contrast with the year-to-year increase in 1960 when almost all of the advance was in female workers getting relatively low-paid jobs.
>
> Employment in manufacturing is up by 80,000 to 90,000 in the year—whereas in 1960, jobs in manufacturing, where the pay is highest, were on the decline.
>
> These increases in manufacturing and, to a lesser extent, in construction employment have led to a reduction in unemployment among men. By contrast: A year ago, the increases in total employment were due to the flow of new women workers into the labour force—while slackness in manufacturing was causing lay-offs among men workers.
>
> These trends suggest a number of good things are in store for Canada. With more family breadwinners back at the better-paying jobs, retail sales stand to make substantial gains in 1962. With a rise in total consumer spending, the whole economy will get an extra forward push.

That, Mr. Speaker, is a very objective opinion on our economy, a very thoughtful opinion indeed.

Finally, I would like to speak about the economic outlook for the year we are just beginning. The Canadian economy is entering a new period of sound expansion and in my recent travels across the country I have found that our producers are approaching the new year with confidence and optimism. I believe that the program of national economic development which was initiated by the government more than a year ago has made a substantial contribution to our fortunes. However, it is our businessmen, our industrial workers, our farmers, our fishermen, our lumbermen, our miners, and other primary producers with their enterprise, ingenuity and skill who have made our economy move steadily forward. They have our gratitude and admiration and we look forward to working with them in the year ahead, as we have worked together in the year that has just ended.

If we can achieve that essential co-operation between management and labour, which is so necessary to make our products competitive in an increasingly competitive world, there are no heights of economic progress which we cannot reach. With government, labour and management working together as a team we can, and I believe we will, make 1962 the most prosperous year this country has ever known.

Mr. W. H. McMillan (Welland): Mr. Speaker, in rising to take part in this debate I wish to congratulate the mover and seconder of the motion in reply to the speech from the throne. They did well; they made a very worth-while contribution to this debate. They told us something about their own constituencies, for which we are all grateful. They also made valiant efforts to defend the inadequacies of this government. In this they did very well, but I think the government will need all the defence they can muster in order to present themselves in a good light to the people.

I listened to the speech of the Minister of Trade and Commerce (Mr. Hees). There were several fallacies in his arguments. He talked about the increase in production. He did not say anything about the increase in the total Canadian per capita production. He did not compare like with like, because on one occasion he referred to the production for three months and compared the increase in those three months to the production for the whole of a previous year.

Mr. Hees: No, you are a little wrong. You will learn when you read *Hansard.*

Mr. McMillan: In the last two or three months the members of the government have shown that they have an uneasy feeling that they are not selling themselves well to the people. I notice the Minister of Public Works (Mr. Walker) said that the people have not been told of the great accomplishments of this government. They have had four and a half years in which to bring about these great accomplishments. There have been accomplishments of a kind and in the two months before Christmas members of this government fanned out across the country and tried to resell themselves to the people on these accomplishments.

Any group of salesmen can easily sell products with exaggerated promises of high performance, but the second or third time around, they will find the going a little rough. So, too, with the members on the treasury benches opposite. As salesmen they are finding the going tougher and tougher because the results that they have given to the Canadian people have been so poor.

In Windsor, Nova Scotia, the Minister of Public Works had this to say:

> The Liberals were in power for 22 years and it seems that a strong Liberal bias has been built up in most of the press, and broadcasting, as you must all realize daily.

Then I saw a reference to something the Prime Minister (Mr. Diefenbaker) had said after his historic visit to the Citadel in Quebec. He referred to the press as a servile press. During and after the pipe line debate I do not know of any other government in Canadian history that was rolled around more by the press, radio and television than the St. Laurent government. Mr. St. Laurent defended his government. That was natural. But he never uttered a word of resentment because his government was being criticized. Certainly I never saw anything published in the press to the effect that he resented this criticism.

If democracy is to survive we must have freedom of the press; we must have freedom of dissemination of news among our people and we must have this whether or not we like it at the time.

We have come to a new year and the government is now embarking upon a set of new proposals to help us cure our ills. Before giving consideration to these proposals as contained in the speech from the throne I thought it might be well to go back to 1961 in retrospect because events and measures that were taken in that year were harbingers of things to come in this year.

According to the press, the Prime Minister said in Ottawa on December 20:

> It has been a wonderful year for me. I look back on the year with a good deal of pleasure, both personally and politically.

I am glad the Prime Minister had a wonderful year personally, but I think that many people in Canada and many of his followers would be much more satisfied if he had had a better year politically.

The year 1961 began and ended on a rather comic opera note, with a great deal of tragedy thrown in between for the Canadian people. I have tabulated month by month a few items of political significance that caused dismay and suffering among our people. They also caused a loss of prestige to our government both at home and abroad. In January, for instance, the Prime Minister went down to Washington to sign the Columbia river treaty during the dying days of the Eisenhower administration. He did not at that time have a signed agreement with the government of British Columbia, the government most vitally interested. In a similar situation, when the St. Lawrence seaway project was developed, Ontario and the state of New York joined to develop this power and before signing any international agreement with the United States Mr. St. Laurent had an agreement signed with the province of Ontario.

The failure of the government to do this has brought about all kinds of complicated negotiations between them and the government of British Columbia. These negotiations have had a comic aspect although they should be of grave concern to all Canadians and especially the people of British Columbia.

We have had the spectacle of the Minister of Justice (Mr. Fulton) and the premier of British Columbia playing hide and seek with one another in Vancouver and Victoria. Also, the Minister of Justice, in a speech in his native province of British Columbia, denounced Premier Bennett and caused an international incident by denouncing Mr. Udall, secretary of the interior of the United States, at the same time.

On another occasion, to assure us that there was some harmony at least between the two governments and that they were not completely on a war footing, the Minister of Finance (Mr. Fleming) came into this house and said that the premier of British Columbia had gretted him with the words, "Hello, Columbia". The Columbia river is carried forward as unfinished business into 1962.

February of last year has a record for that month. At mid-month we had 719,000 people unemployed, 12,000 more than February of the previous year. The Prime Minister and the ministers on the treasury benches did not consider that unemployment was a problem at all in Canada until parliament was called into session the previous November. What is worse the measures taken to stimulate the economy at that time in order to increase employment were inadequate.

In March another record was established and this record was not a pleasant one for the taxpayers of Canada. In that month the Minister of Finance tabled the estimates and we learned for the first time that our budgetary spending would be over $6 billion despite the fact that the Prime Minister (Mr. Diefenbaker) and the Minister of Finance (Mr. Fleming) had told the House of Commons that our expenditures would be cut by the elimination of waste and extravagance.

In April another record was set. Canadian National Railways posted the highest deficit in its history, a deficit of $67,500,000. Carloadings have always been considered an indication of the state of our economy. Ever since this government came to power carloadings have been down. They have been down every month compared with the corresponding month of 1956, the last year when the previous administration was in office. Not only have they been down as compared with corresponding months in the year 1956 but they are, generally, down as compared with corresponding months during worsening years of Tory rule, though there have been only one or two monthly exceptions.

In May this government put the wheels in motion to fire governor Coyne from the Bank of Canada. They did this contrary to all those high ideals of justice expressed in the immortal words of the bill of rights. I think nothing has done more harm to our prestige abroad than this particular action taken by the government at that time.

In June the Minister of Finance brought in his budget. It was a record budget with a record deficit of $650 million. I know the Minister of Finance allowed himself about $50 million leeway each way but the hon. gentleman is always modest about naming the amount of the expected deficit so I think the deficit will, in fact, be higher than this.

In July the Prime Minister talked about an election "sooner or later". He promised we should have one and issued a challenge to the Senate. Unless the Senate would withdraw its amendment to a certain bill which this house had sent to it he would go to the country over the issue of Senate reform.

In August we learned that the Minister of Finance had taken a personal interest in the unemployment insurance fund. He was taking

the hypothecated and depreciated bonds in that fund under protective wing. Now he has nothing to protect. According to the speech from the throne the taxpayers of Canada are to be allowed to make up the loss in that fund arising from mishandling and poor investment.

In this month also the people were becoming aware that we were buying United States interceptor planes. They could recall the closing down of our plant at Malton. They could recall also that at that time the completed planes were cut up into little pieces with a blow torch so as to conceal the evidence of the ingenuity, the high degree of workmanship and the productivity of Canadian workmen. The end result was a loss to Canada of valuable skilled workmen and a loss of many jobs in Canadian industry.

In September there was the Accra commonwealth conference when the government took exception to Britain joining the common market. We heard all about the published and the unpublished documents. We heard both the official and the unofficial statements made by our two ministers at that conference. After so much criticism the Minister of Finance came up with what I thought was a most novel idea. He said he was using these tactics in order to help Britain at the Brussels conference. This contention is certainly not borne out by the press in Britain. The London *Times* said the Canadian government was playing politics. The London *Spectator* said the Canadian government had no business telling Britain how to run her economy when they had made such a mess of their own.

In October the news stressed the division in the cabinet concerning the use of nuclear warheads in air defence and particularly concerning the warheads proposed to be used in the Bomarc bases. The Bomarc bases are nearing completion and some decision on this question should be reached by the government. At the present time should an occasion arise for the use of these bases we have nothing on hand as warheads except some sawdust and sand. I realize there is a difference of opinion in Canada as to whether we should have nuclear warheads or not but I think our government should take a stand. In my opinion it is irresponsible for the government to do otherwise; refusal to reach a decision is in my opinion indefensible.

In November, the dominion bureau of statistics reported that immigration was down by one third. We have since learned that during the full year 1961 more people left Canada than entered it. Many of those who left Canada were young, well trained Canadians who went elsewhere because they found better opportunities were available. Many others who left had come to this country only recently as immigrants. I knew some of them. They could not get jobs and they went back to their home countries. We are, in effect, exporting some of our unemployed. In the same month the Manchester *Guardian* contended in an editorial that Canada was bringing discredit upon itself as a result of a decision to make public issue of the secret speech by Mr. Heath to the common market in Brussels.

December is the comic opera month, because in that month we heard about the proposed firing of the Minister of Finance. We heard about the great shuffle in the cabinet that never came off. We heard about the great journey of the cabinet to Quebec. Then there was the aftermath. We heard the reference of the Prime Minister to the servile press and then there was the mutual glorification meeting in Toronto when the Prime Minister referring to the Minister of Finance said that no man could be more loyal or devoted. The Minister of Finance, of course, had to reply in turn that the Prime Minister was one of the greatest men of our time.

Then the Minister of Finance went to Montreal and he called all this big Liberal lies.

An hon. Member: So they are.

Mr. McMillan: It is all Gilbert and Sullivan type opera without the music. This government has given us little leadership. It has made few definite decisions and it has played politics to the full. They think more about getting votes than they think about the welfare of the country. Surely this is a government that acts on impulse. We have government by impulse.

As 1962 rolled in the printing presses were busy printing new money, and I say to you, Mr. Speaker, that this is the most serious domestic problem of all at the present time. Our fiscal and monetary policy is basic to the welfare of all Canadians. We will have more to say about monetary policy shortly.

I have often criticised the government. At the time of the conversion loan I predicted that among its effects would be the following: it would tend to stagnate trade and cause unemployment, it would increase taxes at all levels of government for a generation, it would raise the cost of production and every new home buyer would be saddled with a mortgage at a high interest rate which he would be paying for most of his working years. I also said that it would increase the cost of living. All these things have come about.

I said at the same time that the government would always be a prisoner of its mistake at the time of the conversion loan. It is. It has not bothered the government that it has had to increase the gross debt by over $3 billion and our net debt by about $2 billion. They just print new money to cover the debt. It has not bothered the government that they have depleted the unemployment insurance fund completely. They hand the bill to the taxpayers. They think little of going into debt at the rate of $2 million a day every day since the government has been in power. They have shown little concern about loading the head of each family in Canada with an extra $500 in debt. They do not mind paying high interest on interest.

But this all pales into insignificance if the Minister of Finance (Mr. Fleming) surrenders completely, and if he continues to do what he is now doing in the Department of Finance with the monetary policy. Since last June the minister has been using the printing presses to debase our currency at the rate of $5½ million to $6 million a day, about three times the rate that we are plunging into debt. Debasing or watering down our dollar is something akin to a milkman watering milk. You would be fooled because the dollar and the milk would look the same afterwards but their value would be less.

I realize that where you have economic growth you must have some increase in the money supply. In the early 1950's there were four years when the money supply was increased at an average rate of $400 million a year. Now it increases that much in about as many months or three or four times faster and we have no boom such as we had to finance in those years.

The mechanics of creating new money are simple. The banks buy bonds and they can issue many times the price of those bonds in new credit. The Minister of Finance has resorted to this type of financing because he cannot get the public to buy bonds in the volume that he requires. New money is being created to buy government bonds and the public pays the interest. All economists say that it is a dangerous thing to issue a lot of new money to cover overspending, and this is exactly what we are doing at the present time. We are in a period of inflation. In 1960 even the minister himself had this to say about inflation:

> Let us give no quarter to such a defeatist doctrine. Inflation acts like a drug on the economic system. Even small doses breed a craving for more.

I fear that the minister has now become an inflation addict. If the rate of inflation now current is allowed to go on unabated, I predict dire consequences for the Canadian people. By the minister's own words, he has adopted a defeatist doctrine. The savings of citizens, whether in the banks, insurance, pensions or what not, will rapidly decrease in value if we go on this way. I say that a government that has adopted this defeatist doctrine is a menace to the welfare and future of every man, woman and child in Canada.

I read the correspondence between the minister and the new governor of the Bank of Canada and certainly the new governor does not take any responsibility in connection with the issuing of new money. That is within the responsibility of the Minister of Finance. The new governor stated that his responsibility would be the day to day operation of the bank. When the new governor presents his annual report I think he should be brought before the banking and commerce committee to tell us where we are going. When the Minister of Finance was asked at the time of the Coyne debate last summer why the governor of the Bank of Canada had not been brought before that committee, his reply was to the effect that so far the appeal had only been halfhearted. I think the governor should be brought before the committee this year.

I want to say a few words about the stabilization fund and the price of the Canadian dollar. I read an article in the press in which the Minister of Finance took a good deal of satisfaction from the fact that so little money was required from this fund to hold the Canadian dollar at a discount. After the Coyne affair I never thought it would take very much money to hold our dollar at a discount because of the loss of confidence created by that incident. In fact, lately the minister has had to pour money into the market to prevent our dollar from going too low and already the Canadian taxpayer has been handed a bill of $127 million for the operation of that fund.

The point is that Canada is not now considered by many as a favourable country in which to invest money. In my limited acquaintance I know people in Buffalo, Cleveland and Toledo who used to buy Canadian securities and who now say they would not invest another dollar in Canada. When the Prime Minister went to London in the fall of 1957 he spoke in Albert Hall and there was considerable criticism of him at that time in the British House of Commons. I put some of that criticism on *Hansard* at that time. Ever since then our prestige in Britain has fallen. This fallen prestige has been caused by the action of this government at the Montreal

conference and at the Accra conference, and because they increased the duty on British woollens and because of the latest row over the secret speech—

Mr. Deputy Speaker: Order. I regret to inform the hon. member that his time expired.

Mr. McMillan: I have just a little left.

Some hon. Members: Carry on.

Mr. Deputy Speaker: Is it the will of the house that the hon. member should carry on?

Some hon. Members: Agreed.

Mr. Churchill: For five minutes.

Mr. McMillan: I wish to thank the house for the courtesy extended to me in allowing me to carry on. I just wished to say something about our prestige abroad. Certainly Canadians in England have a feeling that they are not so welcome in London. You hear taxi drivers and other people talking about our fiscal problems and our other troubles here in Canada. The little people in Europe have become aware of the fact that Canada is in trouble. I found that to be the case in travel agencies and in hotels. I just wish to give two or three instances. While I was in Rome I was in the coliseum and was talking to a man who was selling postcards. When he found out that I was a Canadian he asked me what was wrong with the Canadian government and what was wrong with the Canadian money.

Mr. Ricard: What did you say?

Mr. McMillan: The same thing happened in Naples. It was necessary for me to stop in Lisbon for two hours while waiting for a plane. I went into a restaurant in order to buy some lunch and as I had no European money, I told the restaurant owner of the situation and he said that it did not matter, that he took any money in the world. However, when I presented him with a Canadian $5 bill he said, "I take any money in the world except Canadian money". While I was there he took British money, French money, Italian lire, United States money and also money from one of the African countries. However, he would not take money from Canada. I think the reason for his refusal to do so is that he "got stuck" with some Canadian money when it fell last year. I know that this does not indicate the value of our money but it indicates that the little people in Europe are getting wise to what we are doing here—

Mr. Ricard: That applies to what the Liberals are doing.

Mr. McMillan:—or rather what this government is doing in Canada. In conclusion may I say that I hope the Minister of Finance does not carry on as he has been doing in the past. I hope he has not sold out, for some members of the financial community look to him to hold the line. However, if he has sold out completely and if he goes on as he has been going and keeps on printing money as he has been doing in the last six months I say "God help Canada and God help the Canadian people".

Mr. J. C. MacRae (York-Sunbury): My first words, Mr. Speaker, must be to congratulate the mover (Mr. Bourdages) and the seconder (Mr. Browne, Vancouver-Kingsway) of the address in reply to the speech from the throne. I should also like to congratulate the new Minister of Mines and Technical Surveys (Mr. Flynn), the newly appointed Deputy Speaker—yourself, sir—and the parliamentary secretaries. I would be very remiss also if I did not express to the Speaker of this house what I am sure is the feeling of all of us, namely that we are glad to see him back again in good health presiding over our deliberations with fairness and, it seems to me most important of all, with unfailing good humour.

A few years ago when I first entered this house after the 1957 election, a much wiser and slightly older member of the House of Commons gave to me, as a new member, a piece of advice which I think was extremely sound. He said this: "In your parliamentary life you will find many things in which you could be vitally interested. I would suggest to you that you select three or four of those in which you are most deeply concerned and prosecute those in parliament on every logical and possible occasion. In other words do not spread yourself too thin." Following that advice, I determined that my three major projects as a member of parliament would be—to attempt to raise, if I could in some way, the economic standards of the maritime provinces of Canada; second, to concern myself with legislation concerning education, especially vocational and technical education of our youth; and third, the field of veterans legislation.

In the few minutes that I have at my disposal this afternoon I should like to talk about the first of these matters, namely our maritime economy, its problems and solutions for them.

In 1957, before the election of June 10, those of us who were selected to carry the Conservative banner in Atlantic Canada came together for a momentous meeting under four

extremely able members of our party. Those gentlemen are now the Minister of National Revenue (Mr. Nowlan), the Minister of Fisheries (Mr. MacLean), the Solicitor General (Mr. Browne, St. John's West) and the hon. gentleman who is now the senator from Royal but who was formerly the minister of veterans affairs. There we drew up a platform of those things for which we would stand. Over the next few years that particular platform became known popularly as the Atlantic resolutions.

I wish to discuss these resolutions this afternoon because in that election and the next one the right hon. gentleman who is now the Prime Minister of this country promised in my constituency and in others—in fact in all of the maritime constituencies in which he appeared—that these promises would be kept. May I say that those promises have been kept in full measure. I should like to discuss each one of them in turn. The first resolution or the first plank upon which we stood in 1957 stated that there would be:

> A national development program of federal assistance for developing the resources of the Atlantic provinces having regard to their different needs and varying financial capabilities.

As a tangible example of action that has been taken under this resolution, our Conservative government and those who supported it can point with pride to the roads to resources which have been built especially in our four maritime provinces. The federal government has provided over $30 million to the Atlantic provinces in this connection. It should be remembered, Mr. Speaker, that roads as such are normally a provincial responsibility. This was something that was done entirely at the expense of the federal government. These roads have opened up formerly inaccessible areas of Atlantic Canada. New airports have been built at St. John's, Gander and Halifax. Just a few days ago I was advised by the Minister of Transport (Mr. Balcer) that there was to be constructed at Fredericton a new airport building which, with its related works, will cost almost $1 million. A few years ago, one of the most contentious issues in my own province was the Beechwood power project. The federal government made a loan of $30 million at a low interest rate to New Brunswick for this vital power project. Here is something that I should like to stress, Mr. Speaker. This was a loan which had been consistently denied by the former federal Liberal government.

One of the most vital factors in the Atlantic development is the provision of cheap electrical power. This will attract industry and will put in a competitive position the products that we are able to manufacture. This is something that was long recognized by the able gentleman who was premier of our province between the years 1952 and 1960 and who is now the genial Minister of Forestry (Mr. Flemming). As a result of his vision and his dynamic leadership, our province is now beginning to feel the full effects of the programs which he instituted and in which, after 1957, he was so generously aided by the Conservative government here in Ottawa.

I notice that the order paper contains a resolution in connection with a national power grid. The governments of the Hon. Hugh John Flemming and the Hon. Robert Stanfield in New Brunswick and Nova Scotia were able to show what could be done in this regard when they instituted the New Brunswick and Nova Scotia power grid just a few years ago.

Resolution No. 2 is as follows, and I quote:

> Industrial decentralization; by placing a more equitable share of defence contract expenditures within the Atlantic provinces; by the establishment of crown corporations; by encouraging private enterprises to locate in the area; and by encouraging the processing here of our natural resources as a result of special fiscal considerations.

Our able Conservative government has established a small business branch within the Department of Trade and Commerce and this branch is assisting small businesses to participate more fully in defence contracts expenditures. A regional office of the Department of Trade and Commerce has been opened at Halifax and this office assists businessmen in New Brunswick, Nova Scotia and Prince Edward Island. A similar office has been maintained for some time in St. John's, Newfoundland. This office will place the entire resources of the Department of Trade and Commerce at the disposal of the maritime business community. We know, too, that the resources of the industrial development bank have been increased from $160 million to $400 million. Many more categories of business are eligible to borrow from this source. Double depreciation allowances are permitted businesses which locate in surplus manpower areas. This has had a very beneficial effect on some areas of the maritimes. The federal government subsidy to the shipbuilding industry is providing many more employment opportunities in the maritimes.

Now, what has been happening more specifically in New Brunswick as a province, and in my constituency in particular? Only recently an electronics plant located in Campbellton and it will eventually employ from 1,000 to 1,500 people, thus providing a tremendous boost to the economy of that area. I

know that the industries we have established should be based on the natural resources of our area. The greatest natural resource that we have is our forests. In Grand Falls a plant has been established which will manufacture shoe lasts; a veneer plant has been established in my constituency and a chipboard plant in Milltown, Charlotte county. There are many others.

I should like to quote from the *Telegraph Journal* of January 9, 1962, and in so doing I am quoting the premier of New Brunswick, a Liberal premier:

> New Brunswick experiencing $100 million industrial expansion.
>
> Projects costing $100 million and seen as likely to create at least 7,000 jobs are in definite or tentative planning stages for New Brunswick, mostly in the north and in the Saint John area.
>
> "The future looks very bright," Liberal premier Louis J. Robichaud said in an interview. "I am confident that with co-operation of government and industry we will provide year-round jobs in New Brunswick, proportionately as many as they have in wealthier provinces."

The present Liberal administration in New Brunswick attempts to take some credit for this situation. I want to be fair and I will say they have assisted to some extent within the last year and a half. However, the great bulk of the credit for the establishment of these industries and what is happening in our province today must go to the farsighted policies of Hugh John Flemming and his Conservative government. They were aided nobly after 1957 by the farsighted policies of the Prime Minister of Canada and his able government.

Personally, in so far as public works are concerned, I would rather see a factory started in Fredericton that would give year-round employment to 200 men than all the public buildings that have been built there since confederation. I can well remember sitting in this chamber during the bitter debates after 1957 and I recall when things got too hot for the Liberals they would shout, "Twenty cents a day". Well, I should like to say that 20 cents a day is just four times the amount Mackenzie King said he would never give to any Conservative province in 1935.

You know, in Fredericton we make some of the best shoes in the world. There is the Hartt Shoe Company and the Palmer-McLellan Shoe Company. The first major defence contract that has come to the Palmer-McLellan Shoe Company in 17 years was awarded this past year, a contract for 42,000 pairs of shoes. During the past year one of the finest agricultural research stations in the whole of Canada has been built in Fredericton at a cost of about $2 million. Camp Gagetown, one of the largest and finest military camps in the British commonwealth of nations, continues to grow. During 1957 it was said that if the Conservatives were elected this camp would be closed. However, as I have said, it has continued to grow and it is one of the finest camps in the whole of the British commonwealth.

Item No. 3 reads:

> Atlantic provinces power development by means of financial assistance for the development of low-cost electric power which would fully preserve the rights of the provinces to build and operate both thermal and hydro installations and transmission lines and by immediate subvention on coal produced in the region and used for generating electric power therein.

I have mentioned the Beechwood power development and the power grids that were established. The government, in a tangible way, provided loans for 40 years at a low rate of interest for the establishment of the power grid between Nova Scotia and New Brunswick. Mr. Arthur Johnson, the past president of the Atlantic economic council—a most worthy organization—has said that this grid has saved the two provinces the incredible sum of $60 million annually.

In the past four years, coal assistance in the form of subventions has been more than doubled. To be specific, in 1956-57 federal payments for coal subventions were just under $7 million and in 1960-61 they amounted to over $15 million.

Item No. 4 reads:

> Adjustment of freight rates and provision of transportation facilities to allow our producers reasonable access to the markets of Canada.

Transportation is one of the keys to our whole economic well-being in Atlantic Canada. We know, of course, that the federal government pays subventions on freight rates every year amounting to about $14 million. All of us have been anticipating with deep interest the second volume of the report of the royal commission on transportation which was tabled today. I have not had an opportunity of reading it but it is my hope, and the hope of all of us, that it will contain many recommendations which will go some distance toward solving this difficult problem. We need a national policy on transportation. We do not accept the recommendation of the Gordon commission that we leave the maritimes, nor are we going to be second-class citizens in that part of Canada. I have every faith that the McPherson report will suggest some solution which will correct the injustice under which the maritime provinces now suffer.

Item No. 5 reads:

> Capital projects program to provide federal capital assistance for provincial projects designed to enlarge the basic economy of the area.

I am sure you will agree, Mr. Speaker, that in my discussion of the first item, a national development program, I have shown that this plan has been implemented in good measure. There are other projects about which we feel rather strongly, some more strongly than others, and for which I would urge continuing government consideration. There is the causeway to Prince Edward Island and the corridor road through Maine as well as the integrated development of Saint John river power. I would urge the power development of the huge Passamaquoddy project, and I should like to mention the Chignecto canal project. I was disappointed last fall when it was shown that, as a transportation project, the Chignecto was not feasible. I was delighted, however, when the Prime Minister said the government of Canada would take another look at this project to see whether, from a power angle, it would be feasible. I hope something will be worked out as a result of that.

Another item or promise in 1957 was the establishment of the Canadian coast guard. This was of vital importance to our fishermen and others who follow the sea. This has been done as promised.

Finally, in 1957 there was the special adjustment grant for all provinces with a per capita income substantially below the national average. In 1958 the government undertook to provide an additional $100 million in the Atlantic provinces grants over a four year period; effective in 1962 this grant will be raised.

There has been considerable discussion this past year in my native province about federal contributions to New Brunswick and a completely unfounded statement that contributions have decreased. A political football was made of this in the past year but the true facts are that in 1956 the total of unconditional and conditional grants and payments to New Brunswick was $29.5 million and in 1961-62 these grants will amount to $60.5 million, or more than double.

What about social justice payments? In the year 1956-57 the Liberal administration made payments in New Brunswick of approximately $46 million. In 1960-61 that figure had increased by almost 60 per cent to $75.5 million. Figures do not lie, Mr. Speaker. They are there on the record.

When Liberal party spokesmen talk of discrimination against New Brunswick, as they have done in the past year and a half, let us remember that the per capita amount received by New Brunswick from tax rental in 1956-57, when the Liberal party was in office, was $32.11 per person. In 1961-62 it amounts, with the addition of Atlantic provinces adjustment grants, to $56.24 per person, and in 1962-63 it will amount to $58.12. It is worthy of note that the national average is $48.64 per capita, and therefore I do not feel we have any complaint there.

I have discussed the part that the federal Conservative government is playing in the resurgence of our maritime provinces at present, but even though they are the most important member of the team bringing this about, we must never forget there are other players on the team as well. The provincial governments must carry their share of the load. Far too often our provincial governments have wasted their energy and their efforts in petty jealousy and quarrels. Also, the management of our industries must be willing not only to co-operate but give their full support. They must remember that the well-being of those who work for them will reflect in their prosperity.

Finally, labour must use common sense. Far too often the working man has been misled by unscrupulous labour leaders. I do not say that is so true of Canada, but we have only to look at the Hoffas and Becks in the United States to see what I mean. Labour must be made to realize that we cannot price ourselves out of our own and foreign markets by demanding more for our labour, services and products than others can or will pay.

We in the maritimes, and as a matter of fact Canadians in all parts of the country, will have to realize that there is nothing free. A year and a half ago, in June, 1960, the majority of the people of New Brunswick temporarily accepted the premise that they could receive free hospitalization, and in so believing they turned out the most able premier and government that they had had for decades.

There is a cartoonist whose work I admire greatly, Collins of the *Gazette*. He draws that familiar figure of the little man in the barrel, with the derby hat and bristling mustache, usually labelled "You know who". A few months ago he drew a cartoon and, the saying has it that a picture is worth more than a thousand words. It seemed to me this cartoon was worth even more than that. It shows our little man in a supermarket, having the most wonderful time in the world filling up his shopper's cart with all the packages that are marked "free". There is free government this and free government that, and he goes along until his cart becomes so piled up that he can hardly see over it. Then the final drawing shows him reaching the cash register, with a long cash register tape and a woebegone

look. The caption underneath says "You have to reach the check-out counter sometime". We all have to reach the check-out counter sometime in our spending as well as everything else.

There is a new spirit in Atlantic Canada today, a resurgence of pride and a spirit of well being that was not there before 1957. For a century it was said that the maritimes greatest export was brains, but today educated men and women are staying in the maritime provinces, as well as those who have not the advantage of the education they might like to have, because there is more opportunity there than ever before. I feel, too, that under this government and its dynamic policy of national development in all areas of Canada, our part of this great nation will continue to grow and prosper as it rightly should.

(Translation):

Mr. Alexis Caron (Hull): Mr. Speaker, may I first of all join with those who have congratulated the mover (Mr. Bourdages) and the seconder (Mr. Browne, Vancouver-Kingsway) of the address in reply to the speech from the throne. If I do so, it is not because I agreed with their views when they praised the present government, but theirs was a commendable effort and I congratulate them for it.

I should also like to extend my congratulations to the new Minister of Mines and Technical Surveys (Mr. Flynn). I hope that he will be able to survive all that fuss made about his appointment. I wish him every success in his new office, and I trust that the Canadian people will benefit by it.

As for you, Mr. Deputy Speaker, whom I had the privilege of knowing for a long time as a painstaking and hard worker, I am convinced that you will carry out efficiently the new duties entrusted to you. You have been elected by the house with an overwhelming majority to replace the member called to the cabinet. You will only have to study the work accomplished by the Speaker of this house and to follow the example set by him since his appointment to this high office in 1957, and I am sure that you will find only friends on both sides of the house.

(Text):

Before dealing further with the speech from the throne I should point out that I have read the amendment which was presented by the hon. member for Assiniboia. Having studied it closely I can see that it is a compliment which states openly what is understood in the amendment proposed by the leader of the official opposition. If we take the amendment and the amendment to the amendment we can read them this way:

We respectfully affirm that Your Excellency's advisors, because of their continuing failure to bring forward policies to deal with the real problems confronting this country, including the failure to promote the planned development of our resources, sound monetary, fiscal, investment and trade policies which will develop our economy so as to provide:

1. expanding export markets for agricultural and industrial production;

2. full employment;

3. and, in co-operation with the provinces a prepaid medical care program for all Canadians; and for these reasons do not deserve the confidence of the House of Commons.

Having discussed the matter with our leader before he had to leave the house I can state that we are ready to support the amendment to the amendment.

(Translation):

Mr. Speaker, I do not intend to touch upon every subject mentioned in the speech from the throne nor do I propose to point out the numerous omissions which characterize that speech more than its contents.

The leader of the Liberal party, the Leader of the Opposition (Mr. Pearson) has done that tremendously well in his speech yesterday, and I believe a certain number of my colleagues will take up a few points in particular. That is why I will limit myself today to one point only, that is the amendments to the constitution.

I must say first of all that the Minister of Justice (Mr. Fulton) made an honest effort in his suggestions to the provinces. He would have been the first one to admit, I am sure, that his proposals could not all be accepted and that they would even be the subject of lengthy discussions. Indeed, I could not understand how a sensible man would expect his first proposals to be accepted immediately since it is most dangerous to amend the constitution.

We will soon be celebrating the centennial of confederation. We should not pass premature amendments, amendments where caution would be thrown to the winds and which would only make it worse for Canada. And besides, if you read what Father Arès, Jesuit, has written about these amendments, you can see that nowadays you cannot be too cautious before touching them.

It is best to wait in order to make sure that mutual understanding will persist, complete mutual understanding in all fields of endeavour of the Canadian people, in order to build up mutual confidence and mutual respect throughout Canada, before tackling the ticklish matter of amending the constitution.

It would be best to wait a year or two, even three, before bringing our constitution back home.

It has been in England now for nearly a century, and we have always managed to survive and even to improve our lot, despite what is being said in some circles.

That is why I am asking the Minister of Justice (Mr. Fulton) not to speed things up. I am asking his leader, the Prime Minister, not to be too much in a hurry to link his name to the repatriation of the constitution. When the constitution does come back, it should be such that we should not have to blame ourselves for acting too hastily.

Speaking of the repatriation of the constitution brings to mind an exceedingly delicate matter, a topic on which many words and much breath have been wasted. I refer to separatism, a movement which sprang up some time ago in the province of Quebec.

Of course, as opposed to some Quebec Conservative members, I have no connection with that movement, quite the contrary, and the fact is rather well known.

Is that movement really serious? I do not think it is, not for the moment at least. You only have scattered efforts by various groups without a leader in the true sense of the word. If they had men like Hitler, Mussolini, Bourguiba, Castro or even Camilien Houde, great demagogues, we might have reasons to fear an early split within confederation. As it is, the movement is already divided among capitalists, socialists, to mention only those two. No wonder, because with our Latin temperament, it is extremely difficult for us to work together. We are so individualistic.

Would it be beneficial to turn the province of Quebec into a French Canadian republic? I would be inclined to answer yes, in certain respects. It would certainly promote the development of French culture completely freed from English influence which taints our language with anglicisms. But the separatist movement, which is not new, will have the great advantage of awakening English speaking Canadians and prompt them to a careful self-examination. For, let us not forget that if there is a separatist movement in Quebec, the majority group is chiefly responsible for its existence.

In 1867, when confederation was born, we were in theory equal partners. But unfortunately things were different in practice. What fuss, what inconsistencies, had to be put up with. The provinces with English speaking majorities saw as one of the greatest advantages of confederation a means of anglicizing more easily the French Canadian nation.

Immediately after confederation, have we not seen the New Brunswick government forbid the teaching of French and religion in the schools, ostensibly because that teaching was only tolerated before confederation. It had, nevertheless, been specified under the Confederation Act that any legislation prior to confederation should be maintained. But so-called tolerance then disappeared. Fortunately, the situation has since improved.

When Manitoba entered into confederation, towards 1870—the union was completed in 1871—Sir Georges-Etienne Cartier, recalling what had happened in New Brunswick, was cautious enough to include clause 22 to protect the minority of that province.

Despite the laws, around 1890 the English speaking majority in Manitoba managed to persecute the French speaking minority and their schools. The law had been disregarded. Slowly things got better.

In 1911, it was the turn of Ontario, when that province passed the notorious regulation 17 outlawing French schools.

Then it was Saskatchewan, around 1928, under the leadership of Mr. Anderson, and bitter criticism against the Gardiner government because it tolerated religious habits and the crucifix in Catholic schools. He knew how to excite the passions of the Anglo-Canadian majority in that province and overthrew the Gardiner government to set up his own persecuting laws.

Even British Columbia, to a lesser degree, however, proved extremely narrow-minded.

But let us rejoice, persecutions began on the Atlantic coast and reached British Columbia; let's hope they have been drowned in the Pacific.

Outside the province of Quebec, French Canadians have been treated as poor relatives, even within the federal service. How many senior positions have we held in the civil service? Did we not have the necessary qualifications? That was not the reason because in proportion to the number, we were just as qualified, if not more. Most of our candidates to senior positions had the advantage of being bilingual.

Such an attitude was equivalent to giving French Canadians a certificate of incompetence that they did not deserve.

During the last session, I recommended during the debate on the Civil Service Act that an additional 5 per cent be paid to anyone who could prove that he was bilingual, not only for new positions but also for promotions. There was practically no discussion on that issue; there was no serious examination and the majority in the house,

except for two or three Conservative members voted for refusing that right to intellectual superiority. I am happy to see that the Liberals and the C.C.F. have unanimously supported my motion.

What is one to think of that decision of the Minister of Public Works (Mr. Walker) who, in his proposed building program for the next few years (about 15 projects) and in spite of the advantage found in the fact that Hull is close to the centre block of parliament did not give any thought about locating a single building on the Quebec side, in Hull or vicinity.

A short while ago, the Post Office Department requested the appointment of a superintendent for district No. 2. This district covers the ridings of Pontiac, Gatineau, Hull, Papineau, Argenteuil, part of Labelle, Glengarry-Prescott, Russell, Ottawa East, Ottawa West, part of Carleton, Stormont and a few others where the French speaking population is at least equal to the English speaking population if not in majority. I asked that the civil service commission be urged to select a bilingual candidate for that position. At that time the Postmaster General replied that the decision was up to the civil service commission, which is not entirely true because the civil service commission accepts the qualifications required by the department. Generally, it is the deputy minister who makes a decision (sometimes after consultation, sometimes on his own). The civil service commission could not require a bilingual candidate for that position because the department made no such request.

And what about the Minister of Forestry (Mr. Flemming) who did not appoint a single French Canadian to any important position? It could be that the minister did not try too hard.

Were we too shy to claim vigorously what belonged to us by rights? We have perhaps a certain responsibility in that regard, but could the majority not be a little more generous? Could the English Canadian majority not behave like true Anglo-Saxons? Before the situation deteriorates, as Great Britain did for several of its colonies to which it granted independence before it was too late to keep them as friends and customers, could the majority not prevent such difficulties?

What meanness was shown when the French Canadians started asking for a distinctive national flag, without any symbol of interdependence. There were cries of indignation from various English sections of Canada, from the Daughters of the British Empire, the Veterans Association, the Orange *Sentinel* and many more. We even heard Mr. Smallwood, after having supported the entry of Newfoundland into confederation, say that as far as he was concerned, there would be only one flag, the union jack.

He became a Canadian, but his soul still belongs to England, because the union jack is a combination of three crosses: St. Andrew's cross, St. Patrick's cross and St. George's cross, representing the three countries which joined together to form the United Kingdom: Scotland, Ireland and England.

As for the Veterans Association, do those who live outside of Quebec not remember that, during the 1914 and 1939 wars, the heroic deeds of our troops could seem to be those of English soldiers, since there was only the union jack?

Talking about the veterans, on November 11, 1961, a remembrance ceremony had been organized at Lansdowne park before the football game. In the parade could be seen six or seven union jacks, one American flag and only one Canadian flag, the Red Ensign. The band played only "God save the Queen" and did not bother at all with "O Canada". Is this not ridiculous? Everyone claims to be a Canadian but such actions show the contrary.

How about the constant opposition to the request for bilingual cheques made year after year. Was it really necessary to introduce motions to request bilingual cheques when, according to the B.N.A. Act, all official documents of the federal government can be bilingual. My cheque is an official document. It was just as easy to make it bilingual as it was for Mr. Veniot to introduce bilingual stamps in the Post Office Department. It would have been as easy to introduce bilingual cheques as it was for the Liberal party to repair the sorry situation of two currencies one English and the other French, when they introduced bilingual currency.

One Mr. Jacques Gagnon, of 127 Ste. Marie street in Hull, told me about his experience with the federal police patrolling the parkways. Referring to the famous expression "I don't speak French" here is what he says:

> Besides, that does not surprise me any more. Again, I had received that answer from an officer of the Royal Mounted Police, on December 12 last, when I was arrested on the Gatineau Parkway, not far from Gamelin boulevard. I had been ordered to check with Ottawa, on Wellington street, where nobody spoke my language, absolutely no one out of 15 police officers who were in that office.

Now, don't tell me that the federal police is so totally deprived of bilingual employees that a French Canadian who does not speak English has to go around with a pocket

dictionary in order to make himself understood by the federal mounted police in Ottawa.

I am not blaming the policeman on duty, but the officers who are so ill-advised as to place him in such a false position.

Another thing which has often displeased visitors to the parliament buildings is the fact that, with certain members of the House of Commons police, it was almost impossible to make themselves understood if they spoke French. It would have been so easy to show the real character of the federal government in requiring that all those employees be bilingual. All French Canadians are bilingual; some English Canadians are, but they are not the majority.

The same applies to the R.C.M.P. on duty around the parliament buildings. The odd officer speaks French, but the great majority do not understand a single word of French. When I brought up the matter, I was told that efforts were being made to place, as much as possible, bilingual officers on duty on parliament hill. I can assure you that the efforts were not very successful.

There should also be on duty, at any time of the day, a bilingual official at each Canadian port, but it is not so.

In our diplomatic corps also, there should not be a single unilingual diplomat because a country is often characterized abroad by its diplomats. It should not be more difficult for an English speaking Canadian, especially for a scholar, to learn French than it is for a French Canadian to learn English.

I remember once going to Paris as a delegate to attend a meeting of NATO parliamentarians and what surprised me most was the fact that the delegates from all other countries were bilingual or trilingual, including those from England. The only unilingual delegates were the English Canadian and American delegates.

I know that in some places I will be accused of fanaticism. Am I a fanatic when I ask that the French and Catholic minority groups be treated at least according to the spirit if not the letter of the law?

Am I a fanatic when I ask that French Canadians in the provinces with an English majority be given the same treatment as the English minority in the province of Quebec as far as schools are concerned.

Am I a fanatic when I claim for my compatriots a chance to accede to the higher positions in the civil service of my country?

Am I a fanatic when I ask that my fellow French Canadians be served in French in the custom ports of this country?

[Mr. Caron.]

Am I a fanatic when I insist that our representatives abroad be in a position to show a true picture of Canada where two races and two cultures live side by side? And I could go on forever quoting examples but this would not add strength to my argument.

I do not care, Mr. Speaker, if English speaking or French speaking Canadians learn English or French. What I want is recognition of the superiority of those who took the trouble to learn both languages and I want them to obtain preference from the civil service commission. This would be an incentive to others.

I hope that the majority which is directly responsible for this separatist outburst in the province of Quebec will make a serious self-examination and act, for once, like true Anglo-Saxons. The majority would then realize that French Canadians have shown themselves truly anxious to comply with all the provisions of the Confederation Act.

Quebec has never treated the English minority of that province like a poor relative. Why should the other provinces not follow that example, so that after a hundred years in the confederative pact, it could be truly said that we have really become equal partners.

All those grievances do not mean that I am in favour of separatism; I feel that that movement is too risky and has too many disadvantages for the province of Quebec and for French Canadians in the other provinces.

If such a movement were to succeed, what would be the lot of French Canadian minorities in the other provinces except in New Brunswick where the minority represents about 47 per cent of the population. Left to themselves, those minorities would be easy prey for those who would anglicize us, and our fine French culture would be limited to the province of Quebec; Canada would thus become poorer not wealthier.

Considering the plight of our brothers who live in other provinces, I feel that separatism is an attitude of unspeakable selfishness towards more than a million of our compatriots.

It will be objected that the sacrifices we have to make to maintain a mixed culture impair the quality of spoken French because numerous English expressions continuously find their way into our conversation. I ask the question: Is that really true?

We know that all modern languages have developed from the corruption of two or more foreign languages. French is a smooth blend of Latin, Greek and Frankish. Many words were added to the English language by the Normans. You will note that all words ended

in "al" and "ion" are French words. The same holds true in respect of Spanish and Portuguese. Is it really so bad that the French language in Canada, by adding certain English words to its wealth, be somewhat different from the French language spoken nowadays in France?

How many words and phrases did we not retain here, in this country, old French words and phrases which have completely disappeared from the stock of words used in France. For goodness' sake, let us not make a tragedy of the fact that our French is in a constant state of flux. Even in the various parts of France, there are great differences, and no one thinks it is a crime. For goodness' sake, just as no one should be a better Catholic than the Pope, so we should not be more French than the French themselves.

Another danger may come up in the economic field. Is it believable that a country with a population of five, six, or seven million people could successfully compete on the world markets? We find that the European countries have formed the common market and the free trade area to compensate for the deficiencies of a too small population. Could the province of Quebec do better than those countries? No.

Moreover, the separation of Quebec would mean almost insuperable difficulties for the maritime provinces if they did not get outside assistance from the United Kingdom or the United States. What would be the position of Ontario, which would have to support the west alone, and more particularly the prairie provinces in their lean years. The difficulties would be almost insuperable. The resulting upset would make the whole of Canada powerless with regard to its domestic problems and insignificant on the international level.

We can always improve our economic position and, in this respect, must commend the premier of the province of Quebec for finding out that all our eggs unfortunately seemed to be put in one basket. He therefore went to Italy and France trying to find new investment capital in order to diversify existing industries and create new ones in Quebec. In so doing, he served not only the province of Quebec but the whole of Canada.

The separatist movement has no chance of succeeding at this time. But I warn English Canadians to hurry and revert to the spirit of confederation, which aimed at the integration—not the assimilation—of French Canadians. If not, though you may celebrate the centenary of that memorable pact, your efforts to appease the separatist feeling will not succeed, and it will only need an able leader to upset everything. Nothing but the good faith of the majority, which has everything to gain by showing some magnanimity, can save confederation.

The English speaking provinces should consider the Quebec school laws and rectify the discrimination against minorities in other provinces, where they are overtaxed for the maintenance of their schools, whereas, in Quebec, the minority looks after its own business.

In spite of all our difficulties and all the deficiencies we may find among our English fellow citizens, we have to admit that things are constantly improving for us, even though this improvement is very slow.

Let us always keep in mind that a people which does not want to die always asserts itself in the end.

Let us be French Canadians, fundamentally attached to our language and customs, but let us also be Canadians for the greater benefit of our country as a whole.

Let us see, for instance, what has happened in Switzerland over the last 600 years. That country is made up of Germans, French and Italians, and its leaders have succeeded in having the three languages taught in the schools and in creating a nation that is truly Swiss. It is different from all other nations and it has its own characteristics that are recognized throughout the world. It has made up a people that gets along almost anywhere. In fact, I have met Swiss people recently who have made their homes in Ontario and in Quebec. It is thanks to that triple culture that they were able to find a place for themselves almost anywhere in Canada.

Mr. Speaker, in closing—

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member, but his time has expired.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I wish to congratulate the mover and the seconder of the address in reply to the speech from the throne Messrs. Bourdages (Laval) and Browne (Vancouver-Kingsway) for the able manner in which they performed their tasks.

The competence, integrity and dignity which are typical of the hon. member for Pontiac-Temiscamingue (Mr. Martineau) will make him an accomplished Deputy Speaker.

I also wish to pay tribute to the hon. member for Bellechasse (Mr. Dorion), on his appointment as chairman of the privy council, and to the member for Quebec South (Mr. Flynn), our new Minister of Mines and Technical Surveys.

The selection of the member for St. Hyacinthe-Bagot (Mr. Ricard), to fill the post of

parliamentary secretary to the Prime Minister, was a most happy one. His work and attendance record in the house have set him up as an example.

We all rejoice, I am sure, at the good tidings which Her Majesty the Queen's worthy representative brought us in the speech from the throne. All the provinces rightly rejoice over the measures announced by the government. As for Quebec, the people realize that the present government will soon give them a railroad in the Gaspe peninsula which will develop an important area too long neglected by the former Liberal administration. The Gaspe Copper Mines were waiting for that news to invest several additional millions of dollars in the district which will soon be the scene of an extraordinary economic growth.

Recently, I was reading in a magazine all the economic advantages which will result from the construction of that railroad.

The people of that district have long been requesting the construction of a railroad on the north side of the Gaspe peninsula. As far back in 1881, *La Minerve*, a newspaper which was most popular in its days, published an article to the effect that the construction of a railroad was essential to the economic development of the Gaspe peninsula.

Since this railroad will bring its products to the market, the Federal Metal Company, a metal refining plant at Ste. Anne des Monts, will be able to start producing from 800 to 1,000 tons daily.

Gaspe Copper Mines, of Murdochville, will cut down its shipping costs by sending its ore to Ste. Anne des Monts instead of Gaspe. The distance is the same—69 miles—but the incline will be in favour of Ste. Anne.

Two important saw mills, those of James Richardson, at Cap Chat, and of J. A. Couturier, at Marsoui, will be able to undertake the production of wood chips, a material which cannot be shipped otherwise than by rail and which has an extremely good rating on the market.

Farmers who own wood lots will be in a position to sell their non-marketable timber for the production of chips.

The Ungava Transport Company was only waiting for that link before building and putting into operation between the north and south shores a ferry boat capable of carrying trucks and vans. The steamship *La Gaspésienne* which operates at present between Ste. Anne des Monts and Sept Iles, is not readily apt for that kind of transportation.

[Mr. Pigeon.]

These, Mr. Speaker, are briefly, some of the economic advantages which will be brought about by the construction of a railroad in that area.

I should be remiss if I did not point out the hard work of the hon. member for that riding, the parliamentary secretary to the Minister of Fisheries (Mr. English) who, with the co-operation of his colleagues from Quebec, worked without rest to obtain the construction of that railroad which is essential not only to the economy of the Gaspe peninsula but also to the general economy of the province of Quebec.

Mr. Speaker, I have no doubt that the elimination of tolls on certain bridges of the Montreal district, by arrangement with all parties concerned, will help develop business, industry and tourism on the south shore.

The announcement some time ago by the right hon. Prime Minister that the border waters commission was considering the Richelieu waterway indicates that this government intends to give the province of Quebec legislation which was indiscriminately withheld by the former minister of transport, who is today the hon. member for Laurier (Mr. Chevrier). When the hon. member for Laurier was member for Stormont and minister of transport, he used to receive delegations in a rather off-handed manner. Moreover, he ignored the briefs presented to him when meeting county councils and chambers of commerce, seeking the abolition of tolls on the Jacques Cartier and Victoria bridges—

An hon. Member: That is not true.

Mr. Pigeon: —the study of the Richelieu waterway, as well as the construction of a railroad in the Gaspe peninsula.

Mr. Speaker, may I be allowed to quote from an article published at the time in *Le Devoir* of Montreal, that is on Thursday, May 20, 1954. I am quoting the words of Mr. Pierre Vigeant, a journalist who, incidentally, has also striven to obtain the construction of a greater number of railroads, at the time, in the province of Quebec. Here is what Mr. Vigeant wrote:

Anti-Quebec speech by Mr. Chevrier.

In connection with the impending retirement of the Minister of Transport, Mr. Lionel Chevrier, and of the Minister of Finance, Mr. Douglas Abbott, we put forward the opinion, a few days ago, that we could hardly expect our interests to be defended by English speaking Quebec ministers or by French speaking Ontario ministers. And we expressed the hope that the next change would make it possible for us to have all the influence we are entitled to within the federal cabinet. After Mr. Abbott, Mr. Lionel Chevrier has just undertaken to show the soundness of our argument.

While defending the bill providing for the setting up of a railway between Beattyville-Chibougamau and St. Felicien, he delivered a speech against Quebec. Not only did he turn down the claims voiced by the members of the Saguenay district and the members who supported them.

"Adding insult to injury", as he would say, he strongly admonished them and sermonized Quebecers who dare to claim their autonomy or complain that they are not getting their share from the federal government.

And Mr. Pierre Vigeant goes on to say:

Mr. Chevrier was quite energetic in his reply. He accused Mr. Gagnon of working against national unity and he added that his arguments were both false and insignificant. He stated that Mr. Balcer's speech indicated that the member had not examined the question before he spoke. He accused Messrs. Gagnon and Balcer of indulging in petty politics, whereas his own speech was steeped in such partisanship as we seldom see in the house.

Mr. Speaker, I wanted to make those remarks before coming to the heart of the matter.

There have always been numerous reasons for French Canadian dissatisfaction with the federal government. Some were well-founded and others were merely based on prejudice. However, one of the most serious causes of discontent of French Canadians throughout Canada, and not only in Quebec, was undoubtedly the offhand and indifferent attitude of the previous government not only towards the French Canadian minority, but towards all minorities in Canada. And minorities then included everything that was not Liberal, not Grit.

Mr. Martel: Quite true.

Mr. Pigeon: Furthermore, Mr. Speaker, I seriously think that the previous government which could have done so much during the 22 years it was in power, is greatly responsible for the discontent of certain groups of Canadians. Some people were driven to despair by the lack of understanding of the government of the time.

Need I illustrate the point? In 1942, there was only one member from Quebec in the Canadian cabinet.

Mr. Speaker, after 90 years of confederation, it has been found that contacts and lines of communications have been established from north to south and from south to north. It has also been realized that two great racial groups could live side by side indefinitely, respect and help one another, with no love lost between them. Love is a feeling which cannot be imposed; either you love or you do not love. But I will not have anybody ever questioning the French Canadian's dedication, nor his patriotism. It seems to me that the contributions of French Canadians to public affairs, the co-operation they have given the authorities, their graves which are scattered all over the military cemeteries of Europe and Asia, are sufficient proof of the patriotism and sacrifices of my fellow French Canadians.

Despite the best intentions in the world, no matter how perfect the judicial and constitutional framework, it may be that the 1867 confederation is no longer suited to the needs of 1962. Perhaps we, the representatives and mandatories of the whole Canadian nation, should examine our conscience and ask ourselves if we have really discharged all our public and official duties.

Let us ask ourselves whether major amendments should not be brought to confederation, or whether it should not be reconsidered in the light of present circumstances and of rightful aspirations of the various ethnic groups which constitute the Canadian nation. And once we have noted the shortcomings and virtues of our present constitutional system, perhaps there will no longer be any reason to talk about secession but simply of complete and genuine Canadianism.

In a few years, Mr. Speaker, our great country will be a hundred years old. Already, in many places, people think of the most adequate and noble way to celebrate that century of Canadian existence. Does it not seem, Mr. Speaker, that the best approach, in such circumstances, would be to give birth to a true Canadian way of life, commensurate with our history and our responsibilities.

An event of such significance occurs but once in a man's life and it is not without great emotion that we Canadians will witness the first centennial of the country where it is most agreeable to live in these troubled times. We are the privileged children of an improved civilization, entirely devoted to the service of man. The symbol of the evolution this country is undergoing is found in this house itself where, today, members can express themselves freely in their own language, knowing in advance that they will be heard and understood by their colleagues of another origin.

An hon. Member: It has always been like that.

Mr. Pigeon: It has taken 90 years to come to the system of simultaneous interpretation, first because science at that time did not make it possible for us to dream of such a complicated device and also because statesmen did not keep pace with scientific progress.

National unity is the end product of moral and spiritual components which are found in the chairs of our universities, in our trade unions, in our armed forces, in the Sunday sermon and, above all, in the heart of each

of us. We have inherited a long and glorious tradition after hard and often needless fights. Not that our forbears were mistaken about the value of the things they fought for, but actually because the mental attitude of some of their contemporaries made these fights possible although they were not necessary.

This national unity so often praised on the hustings and in this house is our own heritage for which we are in some way responsible. Perhaps not the members of this parliament personally but the members of parliament for the whole of Canada who, since 1840 and after 1867, have edified the structure of the great Canadian way of life which has fostered the development of our nation.

The great interplay of historic circumstances made possible the blending of Canadian sentiments and the communion of our minds and hearts in the pursuits of a common ideal. However, we have no right to delude ourselves nor to let our imagination summon empty dreams. This national unity, which we welcome, must be pursued from day to day and is each and everyone's business.

I even wonder whether the expression "national unity" has not been made out-of-date by events and whether we should not rather say "national awareness". Indeed, "national unity" has been for a long time a fact in our schools, at our public meetings, in our churches, before being confirmed and sealed on the battlefields all over the world.

The problem we are facing now is one of strengthening within the Canadian state this spirit of national unity based on centuries of tradition and fashioned in the Canadian mind by British institutions adapted to North American conditions in the 19th and 20th centuries. This awareness may be found in the numerous aspects of our literature, of our newspapers, of our radio and television which, most of the time, present the true image of our life in Canada, the life which is familiar to Canadians. Nevertheless, we still lack a most important symbol of our "national awareness", a symbol around which school children gather to sing the national anthem in the morning, and which is the rallying point of our soldiers on the battlefield or the last sight of the sinking ship. That symbol, as you have recognized it, is the flag. And we still have no flag. Or rather, we have too many flags, but not a single one which would identify our soldiers abroad or our athletes taking part in international competitions. A flag is not only the symbol of an adult nation: it is also the result of that nationality itself, its official confirmation by way of enactment from the responsible authorities. Is there anything more depressing for the Canadian delegates to international conferences than to realize the importance of having one's own flag?

We not only need a flag; we also need a national anthem. Is it not disappointing for our official representatives, when they visit other countries, not to find the spot of native land that a flag and a national anthem would symbolize? Canada is an adult nation. Our men and our women have left their marks in many fields. We have achieved the stature of a major country, but there is nothing to prove it to the face of the world. Until the Canadian government has discharged the sacred responsibility, as bestowed upon it by its terms of reference, of selecting a national flag and a national anthem, we will always look like poor relatives in a world searching for true friends. The time has come for this house to assume before history the great responsibility of deciding what will be our national flag and what will be our national anthem. As things are going now, our country will be one hundred years old and we shall have no flag to hoist on the 1st of July, 1967, and our young Canadians will have nothing to sing on this memorable day which will mark our first centenary. It is our duty to assume our responsibilities.

Mr. Speaker, I have introduced a motion in this house asking for the setting up of a committee of both houses before which official organizations representing the authorities would express their views so that our hope of having a national flag may be fulfilled. I would be very glad if this motion were agreed to. We could then invite the premiers of the ten provinces to appear before this committee and know what are the views of Messrs. Smallwood and Bennett concerning a distinctive Canadian flag.

Mr. Speaker, it is commonplace in the foreign countries to point out the good feelings between the main ethnical groups in our country. Would it not be possible to transpose this wonderful lesson of national co-operation on a higher level, thus inspiring the concert of nations.

Even at the time of the league of nations, our delegates were showing poise and self-assurance. It is a known fact that Canada has no territoral ambitions, that it does conceal any covetousness, and that, having realized at home harmony and co-operation, it can share its recipes for friendship and co-operation with the other countries of the world.

It is probably not by mere chance that the original form of the British commonwealth of nations should have been developed by a Canadian. It was quite understandable that one of our most brilliant statesmen at the time should bring into the solution of our relations

with other countries of the British empire the same pattern followed in the Canadian parliament in the light of our tradition. This British family of nations, which progressively emerged in the world between 1896 and 1931, including the glorious and decisive periods of 1919 and 1927, introduced into international law a formula both revolutionary and simple which was confirmed by the treaty of Westminster, on December 11, 1931. British statesmen—and in this regard some of our great Canadian parliamentarians are in no way inferior to them—have always kept pace with developments. The commonwealth was no more a laboratory product or an artificial creation in 1931 than the new commonwealth is now after weathering the Suez crisis in 1956. I believe together with many of my colleagues, that when the interest of the nation is at stake, there should be no party barriers. Besides, we in this house should all have enough patriotism and common sense to forget the strict discipline of political parties to join with the leader in whom the Canadian people has put its confidence in order to support him wholeheartedly and assure him of our most enlightened co-operation.

Mr. Speaker, the student of politics knows that British politics, and therefore Canadian politics until 1931, have always consisted in adapting formulas to facts while giving principles the best possible direction. When the Canadian parliament got its sovereignty, it had inherited that way of thinking and the ways of Cromwell, Curzon and Lloyd George had set a fashion here. It is therefore in no way surprising that the same flexible and fearless attitude which made it possible for this country to remain faithful to the throne while unobtrusively establishing a separation could be found in men like Lafontaine and Baldwin, Macdonald and Cartier, Borden and Diefenbaker. It was a Conservative government who appointed our first diplomatic agent in London. It was also a Conservative government who established Canadian troops as a distinctive unit in the first world war. It was the Hon. Mr. Borden who valiantly fought to have Canada sign the treaty of Versailles on its own behalf, and not as a junior partner nor in the shadow of the British flag, but as the first overseas country freely linked to its British sovereign. It also was a Conservative government which succeeded in obtaining the statute of Westminster.

It was under a Conservative government that simultaneous translation of debates was introduced in this house, as well as in the parliamentary committees. Furthermore, it is now the task of a Conservative government to reaffirm before the world the dignified and special position of this country in the world, in the economic field.

We belonged to the league of nations, we now belong to the United Nations. We are a member of the North Atlantic Treaty Organization, we contribute to the Colombo plan and we have saved the new commonwealth formula in 1956. Is there another country in the world which can boast of so many positive actions in favour of world peace? Is there, even within the commonwealth, another country which has contributed more to international stability and to the rational economy which we need so much. There remains for us to make an historical and rational gesture, and I have no doubt that once again it will be made by a Conservative government. I refer to our full participation in the inter-American system, which we can achieve by becoming a full member of the organization of American states. It would seem that, in this respect, our predecessors had unjustified and no doubt unjustifiable fears.

This means that, not only are we not split between two poles, but that, on the contrary, we are the link between two great systems, two great schools of thought and, especially, two great historical realities: Europe, with its heritage of nobility and greatness; America, with its wealth and its future.

In such circumstances, it is therefore imperative that Canada, while maintaining its links with the British commonwealth of nations, for as long a time as its interests will require, should not however neglect its obligations towards the American continent. Now, there already exists that marvelous organization of American states, which superseded in 1948 the pan-American union, and which includes all countries of the American continent except Canada. Evolving from the prophetic dream of Simon Bolivar in 1826, the organization is today the finest expression of the yearning of those who wish to live in peace. It is also a legal monument where are engraved, in the flesh and blood of patriots, the great realities of our times and the fine achievements of a group of men who want to give the world an example of sincere and active co-operation.

It is regrettable that Canada is not yet a member of the organization of American states. Already, invitations to become a member would have been possible; more recently, the trip of the ex-minister for external affairs again placed in the limelight the whole problem of our relations with the inter-American system, and the late Hon. Smith had stated at Rio de Janeiro and at Ottawa that the government would reconsider the case of the OAS and of Canada.

I earnestly wish that Canada will soon occupy the seat left vacant in the pan-American union because, in doing so, it would

wholeheartedly play its due role, that of an intermediary between the old and the new world.

By belonging to the OAS, Canada would be in a much better position to explain to its neighbours of the other Americas and often to the United States, the role of the commonwealth in the world, as an instrument of peace and prosperity.

Our role in the OAS would be not only to protect Canadian interests, but also to achieve once again the co-ordination of those two great forces which are the commonwealth and the OAS. Also, in conferences grouping ministers of the British community, our country could explain and better bring home the power and value of the inter-American system which, since 1889 has brought to our continent a policy of progress.

For too long, below the 45th parallel, has remained unnoticed the important work done by those great countries which are our friends to the south. And it is up to Canada to enshrine in history that conjunction of two great regional forces: the organization of American states and the commonwealth of nations. No other country possesses that double American and British nationality; no other country has, in such unique circumstances, the great advantage of having only friends in those two vast regional organizations. But in order to succeed in this delicate and important mission, Canada must belong fully and without second thoughts to those two organizations which it wants to bring together. This is a great mission, but Canada is certainly equal to the task.

(Text):

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise to support the subamendment moved by the hon. member for Assiniboia, and to say we believe the structure of social justice can only be built upon the foundation of planned development of our resources, upon sound monetary, fiscal, investment and trade policies, upon co-operation between all levels of government and upon co-operation between these governments and the people.

We believe there has to be a much greater participation on the part of the people in the development of policies necessary to give us a sound economic structure in the future. We support wholeheartedly the limited response on the part of this government to the needs of the Canadian people at this time, but we are of the opinion that we cannot, shall I say, promote the sound improvement of our economic situation by this piecemeal, debt-creating approach.

[Mr. Pigeon.]

We are referred to as socialists, I am quite proud to be known as a democratic socialist, but that does not mean to say we do not believe in sound economics. We believe two and two make four, and the way to provide all the necessary welfare benefits for the Canadian people, and the services they need, is to put people to work and have them producing goods and services rather than having them idle under present circumstances.

Mr. Speaker, I have limited time. I should like to speak at greater length on several aspects of the government's proposals at this time but I shall limit my remarks to practically one subject. We were all very interested in the mention made in the throne speech of a proposal for building a national power grid. Indeed, we were very pleased to see it mentioned in the speech because members of our group stressed the necessity for it some years ago. Trade unions have written to the Prime Minister and other cabinet ministers suggesting such a course of action and we are pleased to see at the least this mention of a proposal to build a national power grid because it offers an opportunity for the beginning of a well planned, long term development program. When I say "well planned" I mean something not entered into in a hurry but something planned over a period of years so that the investment to bring the project to completion can be undertaken without too great a burden on the Canadian economy.

At this stage I shall refer to the Columbia river situation, a subject which has been of great national, provincial and local interest. In my opinion, and that of the members of this group, the government made a mistake in signing the Columbia treaty prior to having an agreement in writing with the government of British Columbia. That, I think, goes without saying. It showed a lack of foresight. There was too great haste in signing it, and a lack of sufficient planning and acquisition of the facts required upon which to base a sound judgment at the time. Since then too there has been a lack of co-operation between the federal and provincial government, and between the provincial government and the persons directly or indirectly concerned.

I intended to have a lot to say about this, aspect Mr. Speaker, but I shall have to leave it and go on to deal with a particular angle of the whole matter. However, I cannot help just mentioning that the hearings held in Revelstoke, Nakusp, Kaslo and Castlegar attracted an attendance of some 1,000 supporters of the Columbia conservation confederation.

There were many supporters of the Conservative government amongst them. They belong to all parties. Regardless of political opinions we marched shoulder to shoulder on that occasion and some 300 people made verbal or written representations to the controller of water rights and expressed their objection to the building of the High Arrow dam. Objections were raised by the city of Revelstoke, and by the Arrow lakes water resources committee, by the women's institutes and farmers' institutes and by the chambers of commerce in southeastern British Columbia.

Objection has also been raised by the B.C. federation of labour, the mine, mill and smelter workers union—in fact, nearly all the unions in British Columbia—the British Columbia fish and game clubs and the resort operators' associations.

In addition to that, four professional engineers of well-known reputation gave testimony expressing their opposition to the building of this dam. Also, excellent briefs were presented that were designed to show the effect on the lives of some 2,000 people, on 18 communities, on the natural resources, recreational facilities, fish and game, and wildlife in general. Two excellent briefs were presented on the moral aspects of the present procedures and proposals, which I will deal with at a later date. One of these was by Dr. C. S. Fowler of Castlegar, and the other, I am very glad to say, was presented on behalf of the Anglican Lord Bishop of Kootenay, who expressed in strong language his attitude toward the undemocratic procedures and proposals in connection with this development. However, I must leave the details of that important matter until a later time.

I now come to this stalemate between the federal and provincial governments with respect to the Columbia river. Before I deal with some aspects of this question I wish to place on the record the position of this party.

We held a convention of the New Democratic party quite recently in British Columbia. At that convention the following resolution was adopted unanimously:

> Power. Our cheapest source of power must be developed first. Available statistics suggest that this can be developed on the Columbia river. The New Democratic party favours the McNaughton plan which would eliminate the High Arrow dam project and the flooding of thousands of acres of valuable B. C. land. This low cost power must be used in British Columbia to create new industries and the thousands of new jobs which are required to expand our industrial production rapidly and to end mass unemployment in our province.
>
> No firm or long term contracts should be made for the export of power or sale of downstream benefits from British Columbia.

That resolution was adopted unanimously by the founding convention of the New Democratic party in Vancouver, British Columbia, in 1961. The B.C. federation of labour met a few days previously. They have a research director for natural resources who understands the subject. He has a better knowledge of the subject of the conservation of natural resources and the natural resource problem in general than any official of the trade union movement I have met to date.

He studied this question and presented his views before the convention. As a result the B.C. federation of labour adopted unanimously a most interesting brochure on power and politics. If anybody wants to read it I am quite sure I can get copies for them. This is a responsible, thoughtful policy entitled "Power Resources Belong to the People". I do not have time to read it fully but I wish to deal very briefly with some of the conclusions. Among other suggestions are these three:

> 3. Stop any plans which will mean the export of cheap Columbia power to the United States to the detriment of British Columbia's economic development.
>
> 4. Development of the Columbia river project as soon as possible. Labour favours the McNaughton plan which would eliminate the High Arrow dam project and the flooding of thousands of acres of valuable B.C. land.
>
> 6. There must be full federal-provincial co-operation and planning in developing B.C.'s long term power needs. A national power grid system would guarantee cheap and plentiful electricity to provide for future domestic and industrial needs in an expanding economy.

Since that date the B.C. federation of labour have been so concerned about this matter that they sent a telegram to the Minister of Justice, dated November 24, 1961. This is what the telegram says:

> The B.C. federation of labour opposes the export of power from British Columbia. Such a policy, we believe, will only lead to the further industrial development of the United States Pacific northwest and is tantamount to exporting jobs and industrial opportunities which under normal and proper development of the Columbia project would be provided for Canadians. We strongly urge the Canadian government under no circumstances to succumb to the pressures now being exerted by the Canadian chamber of commerce, the British Columbia Social Credit government and United States politicians for a reversal of the federal government's long standing policy on the question of power export.

That telegram is signed by Mr. R. R. Smeal, president, and Mr. E. P. O'Neal, secretary treasurer of the B.C. federation of labour.

In addition to that, quite recently Mr. Strachan, the leader of the New Democratic party in British Columbia who has been very concerned about this problem, issued a press

release. I am going to quote from it because we want to show where we stand on this important question. This is dated November 24, 1961, and reads as follows:

Power—Columbia river. For the second time in seven years the Social Credit government of B.C. is openly conspiring with U.S. interests to sell out the future development of this province for the immediate gain of a fast buck and to satisfy its political ambition.

The only justification for the Socred attitude is the hollow desire to humiliate both the present federal government and the previous Liberal federal government which had the courage to halt the Kaiser dam giveaway.

The present High Arrow dam scheme is nothing more than the old Kaiser dam deal in disguise. The Kaiser aluminum company's letter of April 2, 1958, written to a committee of the U.S. Senate (attached hereto), proves beyond doubt that Premier Bennett has always been obsessed with forcing on B.C. a type of Columbia development which is only second best. To get his way he has openly invited U.S. intervention into purely Canadian affairs.

The Social Credit government set out from the start of the present treaty negotiations to deliberately sabotage full economic development of the Columbia to provide the maximum possible benefit to Canada via the McNaughton plan.

The point has now been reached where the federal government must act to take all and any necessary steps to halt the present Social Credit plans, to propose alteration of the treaty to eliminate High Arrow, and to develop the Columbia for the benefit of Canadians, if necessary entirely under federal auspices.

I do not consider this an infringement of provincial rights. In fact I submit it is the right and indeed the duty of the federal government to protect the people of B.C. against this Social Credit government which has proved that it cannot be trusted to place the interests of its country before its own personal political ambition.

If the federal government fails to take this action they too will be guilty of betraying Canada's interests.

That is the position of the New Democratic party and of organized labour in British Columbia, whether they are unions affiliated with the Canadian Congress of Labour or independent unions. In order to bring into focus the attitude of the powers behind the scenes in British Columbia we should look at the attitude of Dr. Gordon Shrum who, as is known to anyone who knows what happens in British Columbia behind the scenes, is the real power behind power policy in British Columbia.

This gentleman has an excellent war record. He was decorated for bravery; he was awarded the O.B.E. He has an excellent record as an administrator and as a professor at the University of British Columbia. This is what he has to say, according to Bill Fletcher of the Vancouver *Sun* in an article appearing in that newspaper on Friday, August 25, 1961:

"B.C.", said Dr. Gordon Shrum, "couldn't care less about the Columbia".

[Mr. Herridge.]

Dr. Shrum, the approachable, outspoken chairman of the B.C. Electric Company and the B.C. energy board, meant simply this: The government and the big utility company it now owns are committed to development of the Peace river.

They are satisfied with the economics of generating power on the north central B.C. river and transmitting it 600 miles to the lower mainland.

They are content that they have out-foxed both Ottawa and Washington. And, if nothing is ever done to unsnarl the complications on the Columbia it won't matter a ruddy kilowatt to the people of this province.

A confident Dr. Shrum outlined his views on the future power picture for me this week.

That statement has not been denied to date. I emphasize again that these are the words of Dr. Shrum. If hon. members know who Dr. Shrum is in British Columbia they will realize that there is a lot behind these words.

I wish to make some comments about a speech by Dr. Keenleyside who is a member of the energy board of British Columbia and chairman of the B.C. power commission. I might say that some members of the press gallery and some persons who have been associated with Dr. Keenleyside in the United Nations and in various government departments tell me he operates the best personal publicity bureau of any civil servant in Canada. I know something of his very effective publicity through the public relations division of the B.C. hydro commission. Anyway, he has made a speech and distributed it widely across Canada. Moreover he is available, I understand, according to information given to me to Canadian clubs and other groups. He is quite willing to address them on this question and to place his views before them.

First of all, I wish to say that I am one who takes strong exception to employees of the public in the civil service or those who are heads of bodies such as the hydro commission making public statements on highly controversial issues. Those are matters which should be dealt with by the elected representatives of the people and by the people themselves. I have read Dr. Shrum's views. Dr. Keenleyside takes a different view and as I have said before he has been voicing his opinions by making speeches to any appropriate group which has been willing to listen.

Now I should like to make a few comments on the text of the speech which was made by Dr. Keenleyside on December 15, 1961. This speech was made in Nanaimo. I quote:

To the extent that our power problems are political in character I shall have no comment to make although, in present circumstances, any discussion of these problems may have political implications. But any such implications will be

incidental to my argument. Like everyone else, I have views on public matters, but I have taken no part in past political controversies and I have no intention of doing so now.

That is the understatement of the year. In fact, in my opinion, Dr. Keenleyside as a public employee and servant of the people is improperly engaged in one of the sharpest political controversies between governments in recent years.

Further on, as reported at page 5 of his speech, Dr. Keenleyside had this to say:

Nevertheless, low costs of large quantities of firm power are still important factors in deciding on the location of industry and the growth of population. Thus it is of the very first importance that British Columbia should have available quantities of power adequate to meet every foreseeable demand and at a price that will stimulate that demand.

Every industrial enterprise and every prospective settler should be aware that the cost of power in B.C. is at least as low as it is anywhere else on the continent. This has never been true in the past; it can and should be made true in the very near future. Any development program that does not aim directly at this target should be discarded.

Dr. Keenleyside, according to his speech, proposes to reach this target by selling Canadian power in the United States over a long period of years. I just mention this in order to show the contradiction in his argument. He continues, as appears on page 6:

The energy board indicated that the Peace could meet incremental loads of about 1,750 mw up to about 1975-78 and Columbia could meet incremental loads of about 2,500 mw up to about 1978-83. Thus well before 1985 the initial plans for these two rivers will have to be expanded or other sources developed to meet our domestic needs alone.

In that statement he puts the Peace ahead of the Columbia. He goes on to say as appears on pages 6 and 7:

It is appreciated that the cost of coal in Alberta is relatively low and so long as thermal plants can be constructed at the load centres there may not be large markets for the export of power from British Columbia. Nevertheless, the Alberta authorities are already showing an interest in Columbia power, and if, as was pointed out earlier, the costs of thermal power increase, our hydro generation, in spite of transmission costs, may soon become competitive in Alberta . . . But an interprovincial tie might well prove to be mutually advantageous. This will be particularly true if the present experimentation in high voltage, long distance, low cost transmission techniques proves successful, as Russian, Swedish and New Zealand tests seem to suggest.

The dream of a national network may be much nearer than was anticipated even three years ago. It is a dream that we all should seek to turn into reality.

However, although Dr. Keenleyside talks of Alberta showing an interest in Columbia power, he would prevent this development occurring for many years by selling surplus power in the United States on a firm basis over a long period of years. He continues:

This does not, of course, apply to the sale of downstream benefits which are not exports and the sale of which is permitted under the terms of the Columbia treaty signed by Ottawa and Washington.

Article 5 of the treaty provides that Canada is entitled to one half the downstream power benefits and that the United States shall deliver to Canada at the boundary this amount, less a transmission loss and amounts disposed of under Article 8, which provides that by exchange of notes a portion of this power can be sold in the United States.

However, without a doubt, the basic purpose of the treaty is to provide large quantities of cheap power and, in so doing, benefit the people of British Columbia as a whole through industrial development and the increased employment which will result. Undoubtedly, this purpose would be defeated and Canadians placed at a competitive disadvantage if the bulk of low cost downstream power were committed to the United States on a firm basis for a lengthy period as suggested by Dr. Keenleyside.

To continue, he goes on to say as reported on page 8:

Informal discussions have been held over the past year with agencies and organizations in the United States and we now know that a solid market exists for firm power at an attractive price.

This statement has never been proved to date and no one can say that it is a fact at this time. To continue the quotation:

If the Peace river power is not at first completely utilized in Canada some part of it could be offered to the United States at Blaine for about 5 mills.

Dr. Keenleyside here is suggesting that the Peace river is to have the whole Vancouver market with the intention of selling the downstream benefits to the United States over a long period of years. Then he continues, as appears on pages 10 and 11:

The terms of our agreements will not be 80 years but from 15 to 25 years, and the agreements will provide specific assurances that the power can be repatriated at the end of the contract term. This has already been publicly accepted by the U.S. authorities.

Well, anyone knows that if we sell firm power over a period of 15 to 25 years to the United States experience has proved that they build industries, they build communities based on that power, and it will never be recaptured by Canada.

Further on he says on page 11:

During the ten years, 1950-1960, there have been deliveries of firm power to the United States from Canada of about 150,000 kilowatts to 176,000 kilowatts each year.

Mr. Macdonnell: Will the hon. member permit a question? I understood him to say, and I have understood it to be the fact, that if we export power for lengthy periods communities

are built up which are based on that power and that in spite of all the treaties in the world you would not get the power back. Notwithstanding that, have the United States authorities recently been ready to agree that this should happen? In other words, is what I have considered to be a fact invalidated at all by recent action of the United States?

Mr. Herridge: The latest I have read is that in the first instance they would not sign a contract for power unless it is over a very lengthy period and on a firm basis, and I suggest that experience proves that when you sell power over a lengthy period you cannot recapture it. There is discussion in United States newspapers about the industries that can be established on the basis of this power. Dr. Keenleyside goes on to say on page 11:

> During the ten years, 1950-1960, there have been deliveries of firm power to the United States from Canada of about 150,000 kilowatts to 176,000 kilowatts each year. These figures represent a little over half of one per cent of the total net generating capability of Canada today.

My comment in that respect is that Dr. Keenleyside fails completely to mention that all of these deliveries are on a short term basis and in some cases on an interruptable basis. I quote from page 13:

> Sometimes it is a temptation to believe that there is some proof in the stories that one hears from time to time about the determination of influential interests in Ontario and Quebec to protect certain schemes or plans of their own by preventing the federal government from allowing British Columbia to use its power resources to maximum value.

By "maximum value" he means sales to the United States. Maximum use for British Columbia power resources is to sell the surplus power to Canadians. This seems to be an attempt on his part, in my opinion, to raise the old east versus west bogey, which I think is a most unfortunate approach. On the same page he says further:

> Among our own people the fear has been expressed that a sale in the United States of our downstream benefits, as provided in the treaty, will mean that we would be selling cheap power to the Americans instead of bringing it home to use ourselves. If this were true I should certainly be among the first to oppose it. But, except in a very limited and temporary sense, it is not true.

In my opinion, Mr. Speaker, this again is a complete distortion of the facts. Dr. Keenleyside knows it is true. He participated in all discussions that were held here in Ottawa during which there was never a hint of such a policy with respect to the sale of downstream benefits. Then, on page 14 of his speech he says:

> The United States would get about 1 million kilowatts by making new expenditures which would be the equivalent of one mill per kilowatt hour.

[Mr. Herridge.]

I have discussed this with engineers, Mr. Speaker, and, of course, Dr. Keenleyside does not know this. I turn to page 15 where he says:

> B.C. could provide for its own needs by developing the Peace and paying a little over 4 mills for Peace power.

Without a doubt 4 mills is low. This is the key to the situation. It is in my opinion, to force Peace river power on British Columbia and keep out Columbia power and sell it in the United States. On page 16 Dr. Keenleyside says:

> It was, of necessity, a compromise document and, on the whole, it gives Canada a return which a few years ago would have been discarded as a quite Utopian fantasy.

Here is my comment on that. This return was not to be on the basis of the sale of power in the United States. It was to be on the basis of cheap power delivered to the Canadian border. Then, I turn to page 18 where he says:

> And who can say with complete assurance that the federal government will continue to refuse to give Victoria the same kind of assistance that it is giving Regina in the case of the South Saskatchewan dam?

Talk about not entering into political controversy, Mr. Speaker. In the first instance, the projects are not comparable, in my opinion, and in the second instance, this is a highly political statement on the part of Dr. Keenleyside and I think an improper statement coming from an employee of the people of British Columbia. He is our servant and he needs to remember that. I quote from page 19:

> We should . . . as soon as sale contracts can be negotiated in the United States proceed to the immediate development of the Columbia river treaty projects with a view to obtaining the first financial returns from the sale of the downstream benefits at the earliest possible moment—hopefully 1965.

In my opinion and in the opinion of a good many persons with whom I have discussed this matter, this policy is a complete sell-out of our power resources to the United States.

Mr. Speaker: I am sorry to interrupt the hon. member but his time has expired.

Mr. Herridge: Mr. Speaker, I should like the indulgence of the house for two or three minutes.

Mr. Churchill: Five minutes.

Mr. Speaker: May the hon. member have a few minutes to finish his speech?

Some hon. Members: Agreed.

Mr. Herridge: I am sorry to have taken the time of the house but I am very concerned and feel very deeply about this

matter, and I represent the views of a lot of my constituents and many other Canadians.

While the United States will appreciate this additional power and the flood control that this treaty will provide, no mention has been made to date of the even greater value of this enormous quantity of water for irrigation and other purposes. Friends of mine in the United States came to see me and informed me that already a number of pipes of huge diameter are being installed above Grand Coulee dam and plans are being made for the irrigation of hundreds of thousands of acres. We can use this water to irrigate hundreds of thousands of acres in the Okanagan in British Columbia.

In the future power can be obtained from a number of sources, but with the increase of population water will become an ever scarcer and more valuable commodity. Therefore, Mr. Speaker, I urge the government to take advantage of the present situation to:

1. Renegotiate the treaty and in so doing make the Mica Creek dam the heart of the development on the Columbia and eliminate the High Arrow dam with its unnecessary destruction of natural resources, communities and a large amount of public and private investment. We can at the same time provide our friends in the United States with ample stored water, flood control and so on.

2. Preserve this million acre park intact with its abundance of recreational, fish and game resources.

3. Establish a river basin agency which should represent the various interests in the basin. The primary impact of a water resources development and management program is on the people of the region affected. To date they have simply been told what is going to happen to them by their servants. The influence of water development is widely felt on agriculture, on forestry, on industry, on recreation and on fish and game resources. Such a development has a pronounced effect on the physical characteristics of the area in which all the residents have rights and important interests. Therefore, it is essential that the basin agency should represent the populace generally in the same manner as a legislator would represent them in other fields.

4. Proceed immediately to promote the development of a national power grid in order that surplus power from the Columbia would be used to develop Canadian industry and promote employment.

5. Promote an appreciation and understanding on the part of the public generally of this vast project and so enlist the co-operation of the people and their organizations.

In conclusion, Mr. Speaker, let me say this. Let our motto be: Use Canadian power to develop Canadian industry and, second, use Canadian water to develop Canadian agriculture. I urge the government to seize the opportunity presented by this stalemate to promote the planned development of our resources to the advantage of all Canadians. I thank hon. members for their consideration.

Mr. Erik Nielsen (Yukon): I should like to add my congratulations to those extended to the mover (Mr. Bourdages) and the seconder (Mr. Browne, Vancouver-Kingsway) of the address in reply to the speech from the throne as well as to those extended to the newly appointed Deputy Speaker and the new Minister of Mines and Technical Surveys (Mr. Flynn).

I intend to answer some of the charges made by the Leader of the Opposition (Mr. Pearson) and others who have spoken from the other side of the chamber, by dealing with two departments with which I have endeavoured to make myself familiar while I have been here, namely the Department of Northern Affairs and National Resources and, just as important, the Department of Mines and Technical Surveys.

When I first arrived here it was a surprise and a source of wonderment to me that the federal government could go along for so many years without recognizing the necessity for creating a department of forestry inasmuch as the activities of such a department would undoubtedly increase the economic stature of Canada. The second matter that surprised me was the fact that such little attention was being paid to the activities of the Department of Mines and Technical Surveys having regard to the fact that the mineral industry in Canada latterly has been responsible for some 40 per cent to 42 per cent of our total exports. In the time during which I have been here it has been the practice of hon. members opposite to adopt the attitude of scorning the expressed policy of the government of developing Canada as a whole rather than as a group of ten provinces. I refer particularly to the Leader of the Opposition, the hon. member for Richelieu-Vercheres (Mr. Cardin) who I am sorry to note is not in his seat but who cannot go without mention, as well as another absent member, namely the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets). These members and many more like them on the opposite side of the chamber tend to look upon Canada as it is often described, namely as a narrow ribbon of population stretching from the Atlantic across to the Pacific. They forget completely that well over 40 per cent of the nation's resources lie above the boundary line of the sixtieth parallel.

The resources of the north have always been a challenge. They have always constituted a potential which, if attacked with vigour, imagination and vision, would produce for Canada an economic impetus which would be felt in a corresponding rate of growth in our national economy. It seems to me that the Leader of the Opposition and those who support him look not to national development in terms of the development of natural resources in a national sense but rather to the development of measures which are calculated to impress those more highly populated areas of Canada in which of course, a greater number of votes are to be reached. In this consideration perhaps lies the secret of 22 years of Liberal tenure when the north, in the language of the hon. member for Assiniboia (Mr. Argue), stagnated. In those years, Mr. Speaker, little was done in the way of vigorous, imaginative and aggressive development of the resources heritage which belongs to all Canadians and which lies within the confines of this vast part of Canada. However, one needs only to make comparison.

It is all very well for hon. gentlemen opposite to attack the policies of the party of the north. That is indeed what this party is, but not in the sense that it expects to gain votes for developing the north; for in that area constituting 40 per cent of Canada there are only two seats, namely the one for Yukon and the one for Mackenzie River. Hence one cannot confront the government with the accusation that they are attempting to garner votes by putting national funds into the development of northern resources. The common sense conclusion must be that the government is making a sincere endeavour to develop these resources for the benefit of the whole of the nation.

It is easy for the Leader of the Opposition to say that what is required are wise and far-sighted plans and policies—I believe those were his words—with leadership which puts national interest above party advantage. Surely the Leader of the Opposition cannot accuse the government of putting party advantage above the national interest when the professed intention of the government is to develop the resources of the northern areas which are represented, in terms of seats in the House of Commons, by two out of 265. I ask hon. members opposite, Mr. Speaker, if they really believe the words of their leader when they accuse this government of putting party advantage before national interest when they follow the aggressive, enlightened and vigorous policy of developing the north and when the intention must be that of promoting the national interest and only that?

There are two parts of the speech from the throne upon which I should like to comment before dealing with the activities of the two important departments I have mentioned. One is that portion which deals with—

Mr. Speaker: Order. Perhaps this will be a convenient place for the hon. member to interrupt his address.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Nielsen: Mr. Speaker, before we adjourned I had mentioned that there were two points in the speech from the throne to which I wished to refer as they are of particular interest to me. One is the provision which parliament will be asked to make for an expanded program of encouragement of scientific research in Canada, a provision which I should like to believe is the result of the work of the special committee on research which was established last year. It is, I believe, the responsibility of government to expend moneys in partnership with private industry particularly in the field of applied research so that the facilities of governmental agencies, especially those of the Department of Mines and Technical Surveys, are made available to fundamental research.

The other provision in the speech from the throne to which I wish to refer is the subject of a bill which I have introduced this session concerning representation in the Senate, and I will simply refer to that by expressing the hope that the measure concerned will make provision for representation in the Senate for the Yukon and Northwest Territories.

Before the dinner adjournment I was drawing comparisons, and I should like to refer very briefly to the fact that I put on record in *Hansard* last session a table of comparative statistics as to the amount expended on investment in northern development in the five years prior to 1957 and the amount expended in the four or four and a half years subsequent to 1957. In most cases the investment was multiplied five times and in many cases it was tenfold.

In answer to those who are critical of the progress which is being made in the northern development program, I have some figures here from the Department of Northern Affairs and National Resources. For the fiscal year 1956-57 federal expenditures on road

construction and maintenance in both the Yukon and Northwest Territories amounted to $2,655,000. In the current fiscal year the estimates provide for $9,278,000. I should explain that the final figure for expenditures is not available since all the accounts are not in, but the program is proceeding according to schedule. To me this increase in federal investment in Canada's northern areas is indicative of those wise and planned policies to which the Leader of the Opposition was referring yesterday in his remarks, expenditures which I think I should say were completely overlooked when he and his colleagues formed the government.

In total the votes for work in the north administered by the Department of Northern Affairs and National Resources have grown from $11,318,000 in 1956-57 to $36,536,000 in 1961-62. The resultant stimulation of prospecting which will undoubtedly bring about a greater and more rapid exploitation of the nation's mineral wealth in the northern areas of our country cannot, in my view at any rate, be overemphasized.

A more startling comparison, however, exists with regard to oil and gas exploration activity in the areas north of the sixtieth parallel. The total number of leases, permits and reservations in good standing in the Northwest Territories and the Yukon is 2,133 covering 106,680,022 acres. Compare this with the January, 1957, total of 12 million acres under permit in addition to about 6 million acres in the two reservations in the Yukon territory and the small proven field at Norman Wells.

Since major oil and gas exploration got under way in 1957, about $56 million has been spent. Between now and 1970 indications are that a further $300 million will be spent and the total may well go far beyond this. Information at the present time about plans for the coming year indicates that expenditures of the order of $15 million will be made over the next 12 months. I will not bore the house by including the breakdown of the permits, leases and reservations which are now in good standing in the territories. Suffice it to say that it is as a direct result of the oil and gas policies of the government that such a large expansion in the stimulation of oil and gas exploration in the northern areas of Canada has come about.

Passing to the activities of the mines and technical surveys department, again I refer to the remarks of the Leader of the Opposition when he said that what is required is wise and planned policies, farsighted plans and policies with leadership which puts national interest above party advantage. Again I emphasize the point that the policies that the government is following in the development of these northern areas of our nation cannot be held to be anything less than in the national interest, particularly in view of the remarks that the Leader of the Opposition and his colleagues have made time and time again criticizing the government for making these large investments in Canada's north rather than making them in the more populated, vote-catching areas of the south. I submit it is in the national interest of those opposite that this nation be developed as a whole and not region by region.

A brief glance at the economic situation relative to the mineral industry in the country provides, I think, some very startling comparisons. Canadian mineral production in 1957 was valued at $2.1 billion, with metallic minerals accounting for $1.1 billion and industrial minerals accounting for $442 million and mineral fuels $555 million. Per capita value of mineral output was $128.64. The seasonally adjusted index of physical volume of the mineral industry was 235.8, with the index set in 1949 at 100, and the index for the industry as a whole in 1957 was 148.6.

Canadian mineral production in 1960 is valued at $2.5 billion, with metallic minerals accounting for $1.45 billion, industrial minerals $480 million and mineral fuels $570 million. Per capita value of mineral output is estimated at $140. The seasonally adjusted index of physical volume of the mineral industry is estimated at 257, and the index for the industry as a whole in 1960 is estimated at 169.

In the three year period from 1957 to 1960, the total value of mineral production increased $400,000, or 19 per cent, averaging a little more than 6 per cent per year. The index of physical volume for the industry in that period increased from 235.8 to an estimated 257.0, or 8.5 per cent.

At the outset, Mr. Speaker, I mentioned that the value of our mineral exports was 40 to 42 per cent of the total value of the nation's export trade. Exports of minerals and products based on the mineral industry in 1950 were valued at $812 million. The value of the total exports in that year was $3,118 million.

Exports of minerals and mineral-based products, for the first nine months of 1957 and 1960 were valued at $1,521.5 million and $1,718.9 million respectively. Total Canadian exports in 1957 and 1960 were valued at $3,570 million and $3,899.6 million respectively, and on this, Mr. Speaker, the conclusion can be made that minerals and mineral-based products accounted for approximately

44 per cent of total exports in the first nine months of 1960, up from 42 per cent in the like period of 1957, and 26 per cent for the 1950 calendar year. The importance of the mineral industry to the nation's economy, I submit, cannot be overemphasized.

The sum total of mineral products on a comparison basis will be illustrated when I say that iron and its products exported in 1957 accounted for $392.8 million, or 11 per cent of the total, while in 1960 they accounted for $464.9, or 12 per cent of the total. Non-ferrous metals and their products brought in $742.8 million in 1957, which was 20.8 per cent of our total exports, and in 1960 they brought in $920.6 million or 23.6 of the total. In fact, exports of mineral products increased all along the line from 1957 to 1960, and I believe that the increase is in a large measure attributable to expanded activity in the development of natural resources brought about by the policies of this government.

We have been criticized by the opposition for not taking any action. We have been criticized by the hon. member for Assiniboia for stagnation in the development of the nation's natural resources, but let us have a look at the facts in so far as the Department of Mines and Technical Surveys is concerned.

Action taken relative to the development of the north started in 1958 with a $6 million photographic project of the Arctic. Second, the Department of Mines and Technical Surveys has recognized a definite need to secure additional information about the resources potential of the Queen Elizabeth islands area of Canada. This region may be a valuable future potential source of oil and minerals. The department has therefore organized and dispatched a research team of 60 professional and sub-professional personnel to the area, and this group has produced valuable practical information which will be essential to the ultimate development of the resources of the Arctic islands.

Third, shoran geodetic control work was completed in 1958 for the Arctic islands and fourth, a program of accurate topographic mapping of the Arctic islands, which will continue for four or five years, was commenced.

The fifth point is that in co-operation with the Department of Northern Affairs and National Resources a survey is proceeding of localities in northern Canada which may serve as sites for new communities. Sixth, preliminary surveys for power facilities on the Yukon river have recently started.

The seventh point in the program is that geological work in the north has been greatly increased since 1957 in accordance with the expressed government policy of developing Canada's northland. The eighth step was the launching of geographical surveys in northern Canada, which are now under way in co-operation with the department of northern affairs, to help develop the economy of surveyed areas and assist local Indian or Eskimo populations.

Surveys are proceeding towards new locations or relocations of settlements in northern Canada, and the tenth point is that an intensified program has been undertaken of recording the earth's magnetism and magnetic storms, particularly in northern Canada to assist navigation, surveying and geophysical prospecting. Is that indicative of a lack of wise planning and policies? Things that should have been done long ago are now being undertaken by this government to develop a part of Canada which for years and years was forgotten and which, in the words of the hon. member for Assiniboia "stagnated" under the rule of the Liberal regime.

What about the roads to resources program?

Mr. McIlraith: What about the bridge at Prince Albert—an improper use of the funds?

Mr. Nielsen: Would the hon. member repeat that?

Mr. McIlraith: They built a bridge at Prince Albert which was an improper use of the funds as voted by parliament.

Mr. Nielsen: My friend the hon. member for Ottawa West, interjects from his seat, as his colleagues are wont to do from time to time, and if I had not asked him to repeat his question I would not have heard it. That, Mr. Speaker, is the way he gets it in *Hansard*. He sneaks it into *Hansard*, as so many of his colleagues do, and it is not until next day that we get an opportunity to read what they have said, and then we do not always have an opportunity to reply. Well, there have been more bridges built than the bridge at Prince Albert and remember, Mr. Speaker, the Liberals were speaking for years and years about the Saskatchewan river dam project. The Liberals have been speaking about roads and bridges all across the country but there had to be a different government come in to do what the Liberals were only talking about.

Sound action has been taken by the mines and technical surveys department in relation to the roads to resources program. A very significant contribution to the roads to resources program is being made by the geological survey of Canada in connection with surveys over 60,000 square miles of potential

mineral territory in northwestern Ontario. Commercial aircraft are being employed to assist in the aerial work. This type of program provides the opportunity of working with the provinces in developing new techniques in prospecting on a regional scale. The geochemical work, in particular, may have broad applications to mineral exploration in Canada. Already, prospecting has been stimulated in northwestern Ontario as a result of this activity in mineral exploration. The aeromagnetic maps prepared by the geological survey of Canada and the Ontario department of mines are being distributed and are aiding considerably in encouraging mineral industry activity.

The geological survey is actively continuing its program of aeromagnetic survey work through Canada and makes maps quickly available to assist in the search for new mineral deposits.

Officers of the Department of Mines and Technical Surveys have been responsible for mineral resource appraisals in connection with all proposed road programs across Canada since the establishment of the roads to resources program, a program which was initiated by this government and talked about for many years by those opposite.

Before my time expires I wish to deal very quickly with the federal contribution made in respect of the development of social services in the Yukon and the Northwest Territories, that part of Canada which I again say constitutes 40 per cent of the nation's wealth and resources—perhaps even more than that.

In the Yukon territory federal contributions were made to schools in the following amounts: to the Destruction bay school $45,500; to the Takhini school, $214,500. This is still under negotiation. The Watson lake school, $72,865; to the Selkirk street school, $149,370; to the new high school, $367,188 of $1¼ million. Negotiations are still going on there. The federal government is contributing 75 per cent of the estimated total cost of the new vocational school in the amount of $743,000. To the separate schools program there were grants of $162,000 and $40,000 in those years.

The federal contribution to education in the Northwest Territories was $5,036,987 in 1957-58; $5,059,486 in 1958-59; $3,910,314 in 1959-60, and $2,240,514 in 1960-61, with a gross expenditure of $16,247,301 since this government took office. There is a forecast for 1962 of well over $2 million.

The same story can be told throughout federal department after federal department having anything to do with the north. Where before you had a complete absence of attention to the north—indeed, a complete neglect—you have now a sincere and a very well meaning intention to develop Canada's northland to the benefit of the nation.

I can point out several small indications, such as the Prime Minister's visit to the Yukon territory and the Northwest Territories, which areas for the first time in Canada's history were visited by a Canadian prime minister. The hon. member for Laurier (Mr. Chevrier) said during the last session that he visited Canada's northland. I said then, and I say again,—and I challenge him now that I see him in his seat—to tell us when he did visit the northland. If he indeed did travel above the sixtieth parallel he certainly did not look around him to see what potential this area of Canada had to offer to the economic development of the whole nation.

What action has the Department of Mines and Technical Surveys taken relative to applied research in the mineral resource development of this nation? In the first place, the practice followed over the years of assisting the mineral industry by laboratory research projects carried out in the mines branch laboratories has been accelerated during the past two or three years. Projects are carried on at the specific request of companies and also in line with fundamental research plans of the department directed toward greater development and utilization of Canada's mineral resources. In particular, stress is being laid on techniques which will lead to further processing of minerals in Canada, something which I submit was entirely overlooked for many, many years by those opposite.

Mr. Speaker: I regret to inform the hon member that his time has expired.

Mr. John R. Matheson (Leeds): Mr. Speaker, I wish to address myself to one of the most urgent and certainly most ignored problems in Canada, the plight of the dairy farmer. Before doing so I wish to join in the congratulations to both the mover and seconder of the address in reply to the speech from the throne.

(Translation):

I should like to offer my congratulations to the new Minister of Mines and Technical Surveys (Mr. Flynn) on his recent appointment. I have been closely acquainted with the other distinguished member for the constituency of Quebec South, Hon. C. G. Power, who is a great Canadian and who successively held four portfolios. Although the present Minister of Mines and Technical Surveys does not belong to the same party as Mr. Power, I suggest that he take him as his model.

(Text):

Mr. Speaker, the seconder of the speech from the throne, the hon. member for Vancouver-Kingsway (Mr. Browne) concluded his remarks with these words:

By any analysis of our economy and its future prospects there is no cause for pessimism. By any analysis whatever there is every reason for all Canadians to move forward to a greater and brighter future under the brilliant leadership of the Right Hon. John G. Diefenbaker, one of the world's outstanding leaders.

I should like to refer to the language used by the Prime Minister in the opening campaign speech at Massey hall on April 25, 1957, which is very much in the minds and memories of us all. He said:

We will assure the farmer of his fair share of the national income by maintaining a flexible . . . price support program to ensure an adequate parity for agricultural producers based on a fair price-cost relationship . . . It represents in general the viewpoint of organized agriculture across Canada. It represents the experience of every other country with free economy in agriculture. It represents the need at this time if agriculture is to take its proper place in this nation.

I will now read from the *Ontario Union Farmer* of January, 1962, page 1, an article entitled "Promises of the Government":

These are the written words of the Conservative government and we quote further—"Canada now has a Prime Minister and a government who are not only greatly concerned about the farmer's position in our national economy but are determined that everything possible will be done to place agriculture in its proper position in that economy".

Then the editor says:

Lately there has been a considerable selling campaign in action to promote the idea that the present government has fulfilled all their promises to agriculture and to the farmers concerned.

Thank goodness we have a few people in farm union ranks, at least, to challenge these statements.

Then the article continues:

In view of the fact that inflation was not checked, the dollar value remains near the half way mark, and there is certainly no justification to say that farm people enjoy the degree of equality promised and advocated for years by our present Prime Minister.

I should like to refer this house to a few figures, the latest that I have been able to obtain from the Ontario department of agriculture. These figures refer to total standard fluid and special fluid milk bought and they are for Leeds county: $4.86 a cwt. for special fluid milk and $2.51 for secondary milk, or an average of $4.23. If we look at the figures for the years 1960 and 1961 we see prices dropping substantially. There was a drop from $2.60 to $2.53 in 1960-61, or a decrease in the average from $4.59 to $4.52.

What about the cost of products? I am referring to the latest figures available to us for products delivered, via Ottawa, November 1960-1961. For oats delivered, Ottawa, the price was $62 per ton. A year later it was $67.80. With respect to barley the price was $54.25 in 1960 and it went up to $62.50 in 1961. For bran the price was $50.25 in 1960 and it went up to $54 in 1961. For shorts the price was $52.35 in 1960 and it went up to $57 in 1961. For dry and freshening feeds the price was $73.25 in 1960 and it went up to $77.25 in 1961.

I read from the Toronto *Globe and Mail* of April 20, 1957:

For the farmers Mr. Diefenbaker pledged a fair share of the national economy through a flexible support price program to ensure parity between farm prices and costs.

At St. Patrice de Beaurivage at the beginning of his campaign the Prime Minister spoke on the same subject.

(Translation):

Speaking on the same subject, Mr. Diefenbaker added: "We recognize that the farmers' prosperity is the basic condition for the general prosperity of this country. The reforms we advocate can be summed up as follows: reasonable prices by means of price support, and substantial markets for your products."

(Text):

Let me refer to some of the figures I was able to get just today about the price index. I think we heard the Prime Minister tell us he was maintaining the value of the Canadian dollar. If this is so it certainly does not prevail with respect to some of our people in farming constituencies. These figures refer to commodities used by farmers and I am taking first the figure in August, 1957, which was 241. In 1962 the latest figure available was 262.4, an increase of 10 per cent. If we take out the living component we find that in August, 1957 the figure was 257.6 whereas now it is 287.8.

If we turn now to the consumer price index we find that in November 1956 it was 120.3. The figure in 1961, the latest figure available, was 129.7.

One of the last things which Mr. Grant Dexter wrote before he died was a series of articles which he called "Fountain Pen Money" as a result of the fiscal and monetary policies adopted by this government. These are matters we can fairly bring to the attention of the house and of the public. An article which appeared in the Toronto *Globe and Mail* on September 11, 1961 was headed "Costs in Canada, U.S., Higher, Rising Faster Than Elsewhere: Study". The Montreal *Gazette* on December 7 carried an article headed "Living Cost Index up Half-Point to Record". On October 6, 1961 the Ottawa *Citizen* carried a story pointing out the cost of living in Canada was rising higher and higher.

Leeds is a typical dairy county with 30,000 milk cows and an annual production of 180 million pounds of milk. I would say that between three-fifths and nine-tenths of all the land stretching from Leeds to the Quebec border in Glengarry is used for dairy farming.

These are old settlements—the oldest and proudest U.E.L. settlements in Canada—and it will not do to tell these people to move off the land or to grow trees.

But all Canada is interested in this dairy problem. Ontario is by no means the only province which is interested in this solution. I recall to the house that in Ontario important fluid milk shippers are established at Halton, Ontario, Lincoln, Essex, Haldimand and Simcoe. Processed milk shippers are established in Oxford, Elgin, Perth, Huron, Hastings and Prince Edward. I invite representatives of dairy constituencies to stand up and be counted now, in their speeches in this house as well as in caucus, because the dairy industry is in trouble and it is about time parliament recognized some of the facts.

I stress the lead that Ontario must give, because 37 per cent of all fluid sales in Canada come from the province of Ontario. This is not a small business. This is a billion dollar business with 350,000 farm families and as many in the other branches of the industry, such as processing and marketing, dependent upon it. I may say we have 50,000 fewer dairy farmers today than we had ten years ago so it is not a case of this constituency growing; it is a case of this constituency now being in serious trouble.

May I refer now to some figures prepared by the economics department, Ontario Agricultural College. First, dairy specialty farms. This refers to a particular group of people, the producers of fluid milk. After making allowances for expenses and the interest on capital the net income from labour amounts to $3,027. There were 156 farms included in the survey made of that grade. Fifteen low labour income farms which were also surveyed showed an annual loss under this labour income item of $2,035. I ask any fair minded person in parliament: how would you like to have $30,000 tied up in a farm in order to earn an income from labour of $3,000? The Prime Minister spoke to an audience on May 16, 1957 and said that the farmer was the forgotten man in Canada's boom. I say now that the dairy farmer is the forgotten man in Canada's recession.

I turn now to refer to the report entitled "Dairy General". This deals with the people who sell to the processing plants. Here we see yet another picture. One hundred and twenty eight farmers stated their receipts, their expenses and the money left as operators' income. The final figure, net labour income, amounted to $1,212 a year. That amounts to 30 cents an hour for his labour for a man supplying milk to a manufacturing milk plant. I remind the house of the Prime Minister's promise that something would be done to assist the Canadian farmer who, he said, had been relentlessly squeezed between declining prices for his products and rising living costs. Well, never has the situation been as serious as that which affects the dairy farmer today.

Without a sound and healthy dairy industry there cannot be a sound rural economy in a great many sections of Canada. This is the most widespread industry in the country and it affects the livelihood of many people in every province. Any policy we adopt must be national in its scope. This is a complicated problem and it is one whose solution calls for the most careful study and analysis because conditions which prevail in one part of the country do not prevail in another.

For example, 50 per cent of prairie milk goes into butter and skim milk powder. Ninety per cent of the cheese is made from Ontario and Quebec milk. British Columbia is the only province where 50 per cent of the milk produced is used as whole milk. This situation makes a national policy difficult to formulate. Some of the figures I intend to read now will, however, make the situation clearer to hon. members. First, I think it is important to note where the milk produced in Canada goes. The amounts of milk going into various outlets are approximately as follows:

Butter and skim milk powder	42 per cent
Whole milk and cream	31 per cent
Condensed products and ice cream	9 per cent
Cheese	7 per cent
Farm butter and milk used on farms	11 per cent
	100 per cent

This means that 73 per cent of production goes into two outlets which return over 80 per cent of the total cash income for the whole industry. Our policy, as a national policy, should, surely, be directed toward expanding these two largest sources of income, but this is not the case.

Our problem is that the consumption of butter is declining at a rate which is creating a serious situation, one which is frightening well informed people in the agricultural industry today.

A second serious point is that whole milk consumption is not keeping pace with our increase in population; for some years we have seen a regular decline in consumption per capita. What is going to happen very shortly is that this basic industry will collapse. A national policy must reverse both the trends I have mentioned. We must consume far more dairy products, particularly butter and whole milk. It is essential that this should be done and it should be tackled on a national basis because nothing else will be sufficient.

One might say that there is another solution, namely, to cut production. However, this is not a solution which we on this side of the house would favour. We may leave it to the wisdom of some of these agricultural people who have done a lot of research on this question and who have suggested for example the introduction of a reduced lactation period, unified marketing plans within provinces, etc., all designed to control overproduction. But a national policy should be directed to increasing consumption immediately.

The promised land, the supreme gift of God, was, according to the book of Joshua, a land flowing with milk and honey. The fact is that we are a severely depressed land stockpiled with butter, and what is flowing is not milk. I was reading an article in the *Rural Co-Operator* of January 10 which indicated that beer consumption in the Toronto area increased by 12 per cent last year. I will read hon. members later an account of what happened to milk consumption in the same period.

Before getting to the heart of this problem may I offer the house some general facts that we should consider before enunciating a solution to the difficulties of this industry. Canada total milk production is estimated at 19.2 billion pounds, 4 per cent higher than in 1960. There has been a build-up in cow numbers since 1960 and this will possibly last through 1964. The numbers of milk cows on farms has increased in the five year period from 1957 to 1961 by 6.2 per cent in Ontario and by 5.6 per cent in Quebec, for a national average of 3.8 per cent.

Along with this increase in the cow population a great tendency has been noted to increase the size of commercial farms. There has certainly been an increase in efficiency, in technique, in ability to provide better pasturage. From 1948 to 1957 the number of cows on factory milk farms increased from 17 to 20 and on fluid milk farms from 23 to 30. The capital required for a factory milk farm now averages about $22,000 and for a fluid milk farm about $38,000.

One of our problems is the fact that the production per unit has increased substantially. The average last year was approximately 5,900 pounds per cow. One very large herd in Ontario had a production rate of over 10,000 pounds per cow right throughout the herd.

Now, is there a solution to this problem of current over-production? This over-production problem may only be with us for a few years. There is a solution. We have to deal with this butter situation. We have to face it now. We cannot put it off. I remind the house that the government had ample notice of this problem. The dairy farmers and the Canadian federation of agriculture have made representations to the Minister of Agriculture (Mr. Hamilton). I recall reading an address which was delivered in the other place by a former provincial minister of agriculture, on January 24, 1961. This address was reprinted in a great many farm journals and a good many editorials. Nothing has been done. No attention has been paid to the problem. The present butter surplus is the direct result, Mr. Speaker, of this government succumbing to the temptation of promising before the last election that there would be a 64 cent floor price on butter. I say that with authority.

For three and a half years the government has watched the surplus build up until it is now a great depressant to the dairy industry. In this connection, I would tell the house that between 1949 and 1958, when there was a 58 cent price on butter, the domestic disappearance of butter increased year by year. The disappearance was 261 million pounds in 1949 and 322 million pounds in 1958 at the 58 cent floor price. In 1958, we had this pre-election offer of 64 cents, without any deficiency plan whatever, although many experts requested a deficiency plan in order to put butter on the market on the basis that would ensure its immediate use. Butter consumption started down in 1958 and has dropped every year since. We now have the situation of a very serious build-up of stocks, one that is worrying a great many experts.

I remind the house that Mr. Pierre Cote, who was president of the national dairy council, has, on several occasions, given addresses on this subject. He gave one on January 16, 1962, and I notice that he gave an important address on December 1, 1960, which was directed to the government. He has spoken on this subject repeatedly, asking that the government immediately take steps to get rid of this surplus which is actually depressing the value of all dairy products.

We on this side ask for an immediate consumer subsidy of 14 cents a pound so that butter can be put on the market at 50 cents per pound. Then it will be consumed before it is spoiled. There might be a little variation of this policy. There may be other ways by which this can be done, but we have to get that butter to the public at a price that will ensure its sale. I suggest that the government give consideration to the 50 cent figure. It might be that we could do this in other ways by means of deficiency payment, but we have to get rid of this butter. We have to get people back into the habit of consuming butter.

Our national goal should be the consumption of 20 pounds of butter per person per year. With 18 million people in this country,

this consumption rate would restore the balance. We are now consuming approximately 15.1 pounds per person. I might tell you that for many years we had a much larger rate of consumption of butter than this. I will refer, if I may a little later in my remarks, to some of the actual consumption rates by Canadians. There has been some popular chatter about cholesterol and heart disease. This question was handled by the former minister of agriculture to whom I have referred. He indicated that studies had been made in the United States which indicated the extent to which Canadians suffered from heart disease in comparison with the people of the United States who consumed far less butter. We know that the people of northern Ireland, Finland and New Zealand consume over 30 pounds per capita with a very slight incidence of heart disease. The United States has the highest incidence of heart disease in the world with a butter consumption of something over 6 pounds per person. There was a time when we, in Canada, consumed about 34 pounds of butter per person. I ask the house, therefore, to consider very seriously the question of whether or not the Department of Agriculture should give some thought to reversing this adverse publicity which is debasing our industry.

The next thing we have to consider is the problem of the consumption of fluid milk. There has been a steady downward trend in the consumption of fluid milk since 1956 when consumption was 314 pints per person per year. In 1961, the consumption per capita was around 302 pints. A comparison of the decline in fluid milk and cream since 1955 is even more startling. Canada must rapidly become milk conscious for the sake of national health as well as for the sake of the dairy industry. We do not dare compare this trend with the consumption of alcoholic beverages in the same period.

In our world of the dairy industry, a permanent cloud rests in the lowering of consumption of our milk products per capita. This consumption, which was 1,150 pounds per capita in 1950, has lowered to 940 pounds in 1960 whereas production remains at a base of 1,035 pounds. Our future markets will be established by the solution to the equation formed by a growing population but meanwhile progressively consuming less of our products. I say to the Minister of National Defence (Mr. Harkness) that one of the ways we could do this would be to make milk available to our soldiers and to people in service hospitals. We should give them all the milk they can drink. I am sure those of you who were soldiers can remember how much you would have liked to drink milk in large quantities. Then, what about the penitentiaries? What about making milk available to those people in some volume?

What about a school program? In the United States and in almost all parts of western Europe a school milk program is doing a great deal to alleviate this problem. Could we reverse the trend in this country with a school milk program? I say we could.

I was noticing again an article published in one of the newspapers showing what had been done in the Windsor area. The milk producers league increased the use of fluid milk by 6 per cent in one year through the institution of a school milk program. In England we have a situation where they are getting rid of milk in volume by the use of vending machines. The government is taking an active interest in this program and they have increased milk consumption by 10 per cent by this technique. It would not be difficult to adopt this program in Canada. We must make milk available to our armed forces, our hospitals, our penitentiaries and particularly our school children. We could do this and it would be the best thing we could do for the nation. In the United States, about 4 per cent of the fluid milk being used is being used by school children. In Canada, the figure is less than 1 per cent. There is nothing that will improve this rate of consumption like a consumer subsidy for the fluid product.

Then, what about strontium 90? We have heard a lot about strontium 90 in recent days because people are so conscious of what has been happening as a result of these tests in the atmosphere. There has been much adverse publicity lately about milk as a carrier of strontium 90. Although it is in all foods, greater publicity has been given to milk because of its purity and because milk samples are available at all times of the year in all parts of the country for purposes of tests. I think it is time the Canadian government took a special interest in making it clear to the people that the cow screens as much as seven eighths of the strontium 90 from her diet. We do not know how much strontium 90 is carried in wheat, cabbages, lettuce and other things because these tests are not easy to do. They are easy to do in connection with milk. Even the one eighth of the strontium 90 which remains in milk can be removed. Dr. B. B. Migicovsky, of the research branch of the Department of Agriculture has developed a technique whereby this can be done. Another important thing is this. If the human body has a choice between calcium and strontium 90, the tendency is for the body to discriminate against strontium 90 and to take

calcium. Our greatest source of supply for calcium is milk. In other words, in order to be safe from the hazards of strontium 90 a person should drink milk.

It is urgent that we build up our consumption of milk products, particularly, as I say, of butter and fluid milk. Gilbert MacMillan says that one of the most important means to this end is to have a federal standard for whole milk. I refer to the many submissions that have been put forward by him and other dairy experts who say that it is about time that we had a federal standard for whole milk which would clearly define the fat and solids-not-fat content of milk. Mr. MacMillan is well known to the Department of Agriculture. He was president of the Dairy Farmers of Canada and served on the National Dairy Council. He was president of the Canadian Ayrshire Breeders' Association. His opinions are studied all over the world and I think it is about time that we studied them in Canada.

I wish to refer only briefly to the problems of our powdered skim milk people. I am referring to a few comments by Mr. Philippe Pariseault that he made a few days ago. He says this:

> We have seen then from September to November, a movement without equal in export sales and the give away prices varying from 5 cents to 5¾ cents at port of embarking for spray process powdered milk and 4 cents to 4¼ cents for roller process milk powder. How can one cover costs at these prices?

These prices do not even cover the drying expenses. Consequently the producers have suffered very seriously.

One of our greatest products in the dairy industry is cheese. This is a matter in which we are interested in Leeds county. I know that in years past you have heard George Fulford and Hayden Stanton speak about Leeds cheese. At the turn of the century we had 85 or 90 cheese factories in Leeds county. Today we have eight. Yet this is a product which the British would like on a premium basis if we could produce the kind of cheese they want in their market. All our experts tell us that there is a great market for mature quality cheddar in the United States. They say there is there a potential market of tremendous importance.

One of the problems arises from the fact that modern techniques seem to go against getting the kind of flavour for which the farmers were famous years ago. Although I do not know this, maybe they were not quite as sanitary then, but at least they produced a product that was known all over the world. Today we have a great many tests. Refrigeration seems to do something to cheese as also does pasteurization. However, it is necessary for us to be much more interested in our cheese community. Hector Arnold who, I believe, has Conservative sympathies, has protested the regrading regulations. He says that exports have been held up. There is available an article to which the Minister of Agriculture might care to refer. It is to be found in the *Rural Co-operator* of January 16, 1962. He mentions the grading requirements at the moment which are doing a great deal to spoil our export sales to Britain.

I know that some thought is being given to the matter, particularly by new Canadians. In Leeds we have many Dutch people who are highly skilled in dairy matters. They have been able to teach us a great deal about techniques of their own. They are splendid farmers and some of these people are going to start to produce a Dutch cheese that we hope to put on the domestic market and thereby perhaps help in fighting this 13 million pounds of import of foreign type cheese that is coming into Canada because of people's taste preference.

I have not addressed myself to some of the other basic problems of this industry such as the matters discussed by Dr. David MacFarlane and other people who mention the disparity in price between fluid milk and manufactured milk. I think many of these problems are within the purview of the province or even of the industry itself. It is a responsible, wise and shrewd industry which has given a great deal of thoughtful advice to the Department of Agriculture. What we must do is rapidly build up demand. Today in Leeds, when a farmer needs to buy a coat for his wife or a tire for his truck, it is necessary for him to sell cattle because he cannot pay for these things out of his milk cheque; nor indeed in many cases can he pay his taxes or the interest on his mortgage. Some of our townships are falling very seriously behind in past due tax payments.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but I must inform him that his time has expired.

Hon. W. J. Browne (Solicitor General): At the present time, Mr. Speaker, we are debating the subamendment. If I read the subamendment in conjunction with the amendment proposed by the Leader of the Opposition (Mr. Pearson), the two joined together would read somewhat in this way:

> We respectfully affirm that Your Excellency's advisers, because of their continuing failure to bring forward policies to deal with the real problems confronting this country, including the failure—

Here I am quoting from the subamendment of the hon. member for Assiniboia (Mr. Argue).

—to promote the planned development of our resources, sound monetary, fiscal, investment and trade policies which will develop our economy so as to provide:

1. expanding export markets for agricultural and industrial production;

2. full employment;

3. and, in co-operation with the provinces, a prepaid medical care program for all Canadians; and for these reasons do not deserve the confidence of the House of Commons.

It does not read correctly, Mr. Speaker, but I think what the hon. member meant was quite clear. It has always seemed to me that the serious speeches that have emanated from the northeast corner of this building have never been given the attention which they deserve. I know that the hon. gentlemen over there in that corner are serious minded men who study the writings of learned men who have thought out a way in which the world should be governed. They have thought this matter out and from time to time they have placed their ideas before us. Unfortunately most people do not take them very seriously. However, tonight I think I shall be justified in trying to analyse what the hon. member for Assiniboia meant. I do not think he gave the explanation in his speech or by the words which he has put into this subamendment.

I think that the key words in the subamendment—and these should be carefully noted by everyone—are "failure to promote the planned development of our resources". What is meant by "the planned development of our resources"? If you were speaking to a grade 8 child and you asked him what a plan meant, he would probably say, "Well, mother plans to take us to the movies on Saturday afternoon". But when you speak about a plan to the hon. member for Assiniboia or to his revered leader who led the C.C.F. party in Saskatchewan to victory for so many years, to them it means an entirely different thing. It means something that will affect the lives of everybody who comes under their sway or power.

Let us therefore look at this planned development of our resources and let us see what could be involved if we were to adopt this suggestion as a move towards settling the real problems confronting the country. The Leader of the Opposition had the good sense to say nothing in detail as to what should be done to improve things. He knows full well that this government has been doing a great many things which all hon. members in the opposition in both parties have supported. They have supported nearly every measure we brought in which has resulted in benefit to this country and has improved the trade of this country.

I remember reading a long time ago a statement by a writer who lived in a socialist country. He started out his book by saying, "Have nothing to do with planners". That left a great impression upon my mind and I should like to repeat what he said: "Have nothing to do with planners". What does that mean? These people are not going to be satisfied just with planning to bring about the right sort of climate in which industry can thrive and people can prosper. No, they want to plan everything. They want to plan not only the development of our resources but sound monetary, fiscal investment and trade policies.

Let us deal with monetary policies. Does it mean that they are going to take control of the banks and nationalize them, as the labour party wanted to do in Great Britain, nationalize both railways and do away with all sorts of private enterprise as the labour party did in Great Britain? The labour party of Great Britain went down to defeat ten years ago and it is very doubtful whether the British people will ever go back to the labour party again after the experience they had with them.

With respect to planned development, I suppose there was never a man in the history of Canada who had as good an opportunity to carry out a planned development of resources as did the premier of the province from which I come. In 1949 the present premier of Newfoundland was asked to form a government and he was a socialist. He was always a socialist as long as I knew him although he called himself a Liberal.

Some hon. Members: Oh, oh.

Mr. Peters: The Liberals may like that but we certainly do not.

Mr. Browne (St. John's West): The former leader of the C.C.F. party once told me that this man was more of a socialist than Mr. Douglas.

Mr Argue: Who said that?

Mr. Browne (St. John's West): The former leader, Mr. Coldwell, told me that. We know the definition of Mr. St. Laurent that socialists are only Liberals in a hurry, so when I say that the premier of Newfoundland was a socialist he could probably be described as a Liberal in a hurry.

When he came into office in 1949 he had the greatest opportunity that any man ever had to build up a sound and prosperous province because the public debt of the province of Newfoundland at that time was only $5 million. As a result of arrangements which had been made with the government of Canada, the public debt which was roughly about $70 million was reduced to about $5 million. In addition, there was a cash balance of about $42 million and assets which were

afterwards realized amounting to another $8 million, so there were really financial assets of $50 million. I cannot remember the verse from Omar Khayyam but I do remember the principle that he had in mind when he said he would like to destroy the present state of things and remould it nearer to the heart's desire. That was the opportunity which the premier of Newfoundland had in 1949.

Mr. Howard: You even misinterpret Khayyam.

Mr. Browne (St. John's West): In the first election that took place in Newfoundland in May, 1949, the premier was elected with 22 or 23 members to about 3 or 4 in the opposition. Here was a socialist with $50 million and he started to plan.

Mr. Peters: A socialist never had that kind of money.

Mr. Browne (St. John's West): I am very sorry but I cannot understand what hon. gentlemen over there are saying because three or four of them speak at the same time. However, I think they should listen to this because I am quite sure that the premier of Newfoundland has read all the books they have but long before they did, before some of them were born, including the hon. member for Peterborough (Mr. Pitman). They should listen to the lesson that is to be learned as to what a planned economy means. This man started out and was going to build up industries. He was going to plan the development of our resources, and he started off with the hardwood industry.

Mr. Howard: Is there any charge for this lesson?

Mr. Browne (St. John's West): No, but I should like the hon. member to listen to it. If he does not want to hear it he can go out of the chamber but if he is going to stay here I should like him to listen.

Mr. Howard: I can stay here and I will still not hear anything.

Mr. Browne (St. John's West): This is no Horatio Alger story. This is the story of a socialist and it is an example of what could happen to this country if we ever listened to the men in the northeast corner of this house. The premier of Newfoundland started out to build a birch plant and he made an agreement with a very experienced lumberman. The premier was in a hurry to get the plant going and he was convinced that Newfoundland had lots of birch trees that were suitable for the sort of plant that he had in mind because he had seen birch trees growing in the forest and, after all, if a person who is not a lumberman sees these beautiful birch trees growing he thinks there is a great deal of good wood there though he does not know what is inside the trees. He had to find that out. He had to find out what a difficult thing it is to have a birch plant.

However, the premier made this agreement with this lumberman who, before the document was signed, changed it from a personal agreement to a company agreement. He had the right to assign to a company and immediately formed a company and did so.

Let me tell you about the next step that took place in the construction of this birch plant, the first of 15 or 20 industries which our socialist premier in Newfoundland undertook.

Some hon. Members: Oh, oh.

Mr. Browne (St. John's West): Hon. gentlemen do not want to hear this. It is not pleasant news for them. This is not a story of success but rather a story of failure, failure that would be present in greater measure if we were ever to adopt the silly ideas contained in the subamendment.

Mr. Peters: We will be campaigning on them in the next election.

Mr. Browne (St. John's West): I am afraid my hon. friends do not want to hear the truth. I have said a hundred times that they have these wild and woolly ideas in their minds but I should like to tell them what actually happened when a socialist had charge of a government. They do not want to hear the story but I am going to try to get it across.

When this plant was started some property was acquired which was cleared and they built a plant. There was no supervision. There was no one appointed to see that the goods that were to be there were the goods that were needed, that they were of good quality or what quality or what quantity they were. The man with whom the contract was made to build the plant had his own plant right next door, just as near as the summer residence of the hon. member for Bonavista-Twillingate (Mr. Pickersgill) is to the national park. He sold $365,000 of his own goods to this new industry that was being established.

Mr. Pickersgill: Mr. Speaker, I deny that I ever sold any goods to this industry.

Mr. Browne (St. John's West): Not the hon. member for Bonavista-Twillingate.

Mr. Pickersgill: I was the last person mentioned by the hon. member.

Mr. Browne (St. John's West): I know the hon. member does not make that amount of money even if he has a best seller. The lumberman sold $365,000 worth of materials

from his own private company to put into this plant and there was no one to inspect anything. There was no one to certify that the bills were correct and the minister of national resources was therefore unable to pay the bills. There were millions of dollars of unpaid bills lying on his desk and he resigned his position for he could not sleep at nights. He was sleepless because of worrying about the condition of things.

The hon. member for Assiniboia is very much amused, but I shall not take too long to tell the story. It is only just started, but after all the premier of Newfoundland did not have much experience of government and it is easy to understand how he could make mistakes. The minister of natural resources resigned. He could not take it any longer, and I had it from the mouth of the auditor general himself that there was nobody to sign the vouchers. The bills were still unpaid; hundreds of thousands of dollars were still unpaid. The deputy minister of economic development and the deputy minister of natural resources would not sign them. Neither would the deputy minister of finance, and the auditor general had to collect the lot of them and bring them down to the premier for signature, a man who never saw one of them presented, and he signed them all "Joseph R. Smallwood". That is an example of socialism.

That plant cost $6 million. I could go into great detail about it. How much money did it give back in profits? The smallest coin I have in my pocket is a one cent piece, but the plant did not give back even that much profit. I would ask the hon. member for Bonavista-Twillingate (Mr. Pickersgill), or any of his colleagues who so frequently like to come to the assistance of the premier of Newfoundland, to deny the statement I have made. That was the premier's first attempt before he met with Dr. Valdmanis who was employed here by the Liberal government, I believe at one time in the Department of Citizenship and Immigration. At least he advised on the immigrants coming into the country and he was also in the Department of Trade and Commerce, although I do not say he had a big job. He was employed too at Carleton University, and later he wanted a job and went to Nova Scotia to look for one. From there he went on to Newfoundland where he met the premier, and when he entered the presence of the socialist minded premier the latter thought he was an angel come from heaven. He called in the press and Mr. Don Jamieson of CJOXN to listen to the brilliant man who at one time had been minister of finance in Latvia before the war, who had worked under Dr. Schacht in Germany in the cement and gypsum industry, and said this was the man who would help build up industry in Newfoundland.

An hon. Member: What about the statue?

Mr. Browne (St. John's West): That came later but this was the first introduction of Dr. Valdmanis to Newfoundland.

Mr. Argue: Why not talk about the mess over there.

Mr. Deputy Speaker: Will hon. members who do not have the floor refrain from making remarks?

Mr. Browne (St. John's West): The hon. member has said why do I not talk about the men over here.

Mr. Argue: The mess.

Mr. Browne (St. John's West): I do not know about any mess here. When the hon. member wishes, he can get an opportunity to talk about a mess. The hon. member does not want to hear about the mess that took place under socialism.

Mr. Argue: I submit that the subject of Joseph Smallwood is irrelevant at this time.

Mr. Browne (St. John's West): The hon. member for Laurier (Mr. Chevrier) agrees with the hon. member for Assiniboia that the subject is irrelevant because the hon. member for Laurier does not want to hear what a so-called Liberal premier did in a province as a socialist, and the hon. member for Assiniboia does not want to hear the true story.

Mr. Chevrier: I wish to raise a point of order. During the debate on the speech from the throne the Speaker has repeatedly interrupted the debate when matters under discussion are matters coming under provincial jurisdiction. For the last five minutes the hon. minister has been dealing with matters which fall to a large extent under provincial jurisdiction and I submit that if he is going to be allowed to do that then surely others on this side of the house ought to be given the same treatment.

Mr. Deputy Speaker: I think the hon. minister was using that subject as an illustration, but I would ask him to continue.

Mr. Browne (St. John's West): I am also going to make certain references to socialist enterprises that took place in Saskatchewan. I seem to remember something about a box factory out there.

An hon. Member: And a shoe factory too.

Mr. Browne (St. John's West): However, I shall go on to outline the socialist enterprises

undertaken by the government of Newfoundland after 1949. First of all there was this $6 million plant. Then there was the cement plant at Corner Brook.

Mr. Pickersgill: Which is now making money.

Mr. Browne (St. John's West): I almost forgot about the steel plant, and it is not often hon. members hear a story of this sort. It is a fascinating story and it is seldom the house hears one like it. This steel plant was going to be 20 times as big as the first one. They were putting in one big plant but in two or three years there were going to be 20 buildings. A big plan was drawn up by Dr. Valdmanis, and I have a book at home which contains pictures showing the layout of all the buildings along the lake. The people of Newfoundland were told that so great a debt was owned to Dr. Valdmanis, this great genius from Latvia, that the premier said one day the people of Newfoundland would erect a monument to his memory. He further said he would not like to be premier for one hour after Dr. Valdmanis left, that he would rather lose his right arm than Dr. Valdmanis, and the premier was a right handed man.

Mr. Pickersgill: I wonder if the hon. gentleman—

Mr. Deputy Speaker: Is this a point of order?

Mr. Pickersgill: No, I was—

Mr. Deputy Speaker: What is the hon. member rising on?

Mr. Pickersgill: The hon. member is rising to ask leave of the minister to ask him a question.

Mr. Browne (St. John's West): Certainly.

Mr. Pickersgill: Is the reason the minister is outlining these tremendous efforts made by the premier of Newfoundland to do something for Newfoundland because there is nothing he can say his government has done for Canada?

An hon. Member: That is one of your poorer efforts.

Mr. Browne (St. John's West): The hon. member is asking if the reason I am referring to the efforts made by the premier of Newfoundland to get industry going in that province is because our government has done nothing for Canada. If my hon. friend wants me to talk about what our government has done for Canada I would not have enough time tonight to do that.

[Mr. Browne (St. John's West).]

Mr. Pickersgill: That is what we want to hear.

Mr. Browne (St. John's West): The hon. member for Bonavista-Twillingate does not like what I am saying because he owes his seat there, and also his seat when he was over here and held office as minister of the crown, to the premier of Newfoundland, about whom I am speaking tonight. He could not possibly get elected in Newfoundland, or any other part of Canada, if he did not have the support of the premier of Newfoundland.

Mr. Pickersgill: Mr. Speaker, I am rising now on a question of privilege, a question of personal privilege. I owe my seat to the electorate of Bonavista-Twillingate who voted freely in an election, just as freely as they do in any other part of Canada, and I got a larger majority in the election of 1958 than I did in the election of 1957.

Mr. Deputy Speaker: Order.

Mr. Pickersgill: It is misleading to say—

Some hon. Members: Order.

Mr. Harkness: Do not defy the Speaker.

Mr. Deputy Speaker: The hon. member having stated his point of privilege should take his place.

Mr. Pickersgill: I have taken my seat, sir.

Mr. Browne (St. John's West): No one knows better than the hon. member the debt which he owes to the premier of Newfoundland, and I cannot say a word against him for showing gratitude to the premier for the kindly interest the premier took in him when he took him out of the position of secretary to the privy council and put him in the seats of the mighty, in the front benches of the House of Commons. He was an ambitious man. But he had worked close to Mackenzie King, a great Liberal prime minister who ruled this country longer than any other Canadian prime minister, so he could not help but be saturated with similar ambition. He is a brainy man.

An hon. Member: I'll say he is.

Mr. Browne (St. John's West): He is a great speaker. I do not think there is a more fluent speaker in the house. The only trouble with him is that he cannot stop the fluency. He is an explosively fluent man. I know the hon. gentleman is really trying to draw a red herring across this matter.

He asked me two questions. I was not going to spend much more time dealing with the socialist activities of the premier of Newfoundland, but I think I can draw this conclusion for the benefit of my hon.

friends over there in the northeast corner, as well as my hon. friend who comes from the northeast corner of Newfoundland, that if a man tries 15 or 20 industries surely he ought to have one success.

I defy the hon. member to state one of the successes. I will name the industries, as far as I can remember them. I am likely to forget some of them. There was the birch plant, the steel plant, the cement plant, the gypsum plant. In those last two there was graft to the amount of $500,000. There was the battery plant and the rubber plant. By the way, the rubber plant cost $2 million. That was $2 million right down the drain. The rubber was so bad that after people bought the rubbers produced they brought them back to the stores and said, "These are rotten; we cannot keep them together". Twenty thousand pairs were sold in Montreal for $1 a pair. When the premier was reproached about it he said, "Don't you think I was smart to sell them to the French Canadians?" Twenty thousand pairs that cost, I suppose, about $5 a pair. There was $2 million lost on that. And who do you think is renting that building in which the plant was established? It is now rented by the Department of National Defence. That is the first return for the provincial government of Newfoundland from the 20 industries they started, the rent they are getting from the Department of National Defence.

Mr. Pickersgill: Mr. Speaker, the hon. gentleman asked me a question. I do not want to intrude in this—

Mr. Browne (St. John's West): No, you asked me a question.

Mr. Pickersgill: The hon. gentleman challenged me to name one industry. I was accepting his challenge.

Some hon. Members: Order.

Mr. Pickersgill: If the hon. gentleman does not want to hear it—

Mr. Browne (St. John's West): The hon. gentleman asked me a question. He asked me what was my reason for criticizing the premier for the efforts he made. Thirty million dollars went into these industries and not one cent has been returned except the rent obtained from the Department of National Defence. The rent they are going to get for the next couple of years will be a good investment for them. There was no profit in those industries. There were other industries. There was the glove factory, the tannery and the candy plant. I cannot remember the rest. However, I think one can conclude from what I have already said that the results of these ventures of the government into business is justification for the statement that socialism is unsound.

We can readily believe that sometimes you can get a very clever man, like the hon. member for Assiniboia or one of his colleagues over there, who might think he could do better if he were premier. In fact, he would go much further. I will deal with that in just one moment when I have fully answered the question of the hon. member for Bonavista-Twillingate.

He asked, what did we do for the people of Canada? Let me start with that. The first thing we did was to increase the benefits for old age pensioners. We raised the old age pension from $46 to $55 in the first year we were in office, and we made a similar arrangement with the provinces for these people to receive old age assistance at the rate of $55. Does the hon. member say that was not to the benefit of the people of Canada?

Mr. Drysdale: He is inarticulate now.

Mr. Browne (St. John's West): In the last session, we raised the pension for soldiers and the war veterans allowances. Does the hon. member say that was not to the benefit of the people of Canada?

Mr. Drysdale: He is still inarticulate.

Mr. Browne (St. John's West): Yes, he makes no reply to that. When Newfoundland came into confederation in 1949 the government of that province received $15 million from the federal government in the year 1949-50. In 1956-57, the year before we came into office, the government received the sum of $24 million, from the federal government—$17 million as unconditional grants and $6½ million as conditional grants. In the present year they will be receiving $62 million in grants, $38 million in unconditional grants and $24 million in conditional grants. That is an increase from $24 million to $62 million, or an increase of 150 per cent in the grants made to Newfoundland.

Mr. Deputy Speaker: Order. I regret to inform the minister that his time has expired.

Some hon. Members: Go ahead.

Mr. Pickersgill: Perhaps I may be allowed to ask the minister one question about the figures he just gave.

Mr. Deputy Speaker: Order. Before the hon. member asks a question, as the minister's time has expired the unanimous consent of the house is required.

Some hon. Members: Agreed.

Mr. Argue: On a point of order, Mr. Speaker, it is a custom in this house that

immediately an hon. member sits down another hon. member may ask, "May I ask a question?" We have done that hundreds of times under the rules.

Mr. Deputy Speaker: Order. I would remind the hon. member that the minister's time has expired.

Mr. Pickersgill: Mr. Speaker, I think it is a rule of this house that one may rise and make a correction of a factual statement. The minister gave the figure for the year 1956-57 as the last year—

Mr. Deputy Speaker: Order.

An hon. Member: Order.

Mr. Pickersgill: I ask the minister, is it not true that in the year 1957-58 the payments were under Liberal legislation exclusively?

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

Some hon. Members: Question.

Miss Judy V. LaMarsh (Niagara Falls): Mr. Speaker, this is my first opportunity, as a freshman member, to participate in a throne speech debate. It is a double pleasure to speak in this debate just after you, sir, have taken the chair for the first time. I wish to extend to you and to the new Minister of Mines and Technical Surveys (Mr. Flynn) my felicitations upon your appointments. Of course, Mr. Speaker, it is a double pleasure because it is likely that this will be the last such speech prepared by the set of advisers now sitting to your right.

An hon. Member: Wishful thinking.

Miss LaMarsh: A year ago, it may be recalled, we on this side of the house, in our anxiety to see what the government proposed to do to alleviate the dreadful unemployment then at large in the country, gave up the right to participate in this debate. We left open to the government sufficient time so that they might, in lieu of the time taken on the debate on the speech from the throne, bring forward whatever massive program they had in order to assist the people of Canada.

Even those feeble assists given to the economy by this government in 1961 have borne some stunted fruit, but the Canadian people stand today, more than a year later, not much closer to the gates of economic heaven than they did at the time I first came into this house.

While it is true that unemployment is somewhat reduced and employment in Canada is higher, what of those thousands who remain without employment, so many of them out of work and out of benefits now for more than months, some for years? Is the government to be content with the winter works program and its temporary survival training courses, these projects of little note and narrow impact? Are we in this country expected to be satisfied with these measures, in light of today's unemployment figures, in the same sense as the man who keeps beating himself over the head with a bat and who answers, when he is asked why, "Because it feels so good when I stop"?

What an indictment was given yesterday by the Leader of the Opposition (Mr. Pearson) of this past year of government by impulse. One would anticipate, with such major issues as our trade position, our long term employment policies, the ills of transportation, of immigration and the like left undecided after the longest session of our parliamentary history, that such a searching criticism as that levelled by the Leader of the Opposition would for once be met by a statesmanlike, carefully detailed answer of defence, if defence there be, of government policy.

Instead, we were treated once again to that far from unfamiliar action of the right hon. gentleman who now leads this government, a niggardly personal attack upon those in this party and its policies. Instead of attacking the problems of Canada the Prime Minister (Mr. Diefenbaker) once again indicated that he is not equal to doing more than attack the Liberals of Canada. Once again he showed his contempt for parliament and the people. The people called for the solid bread of a clear, consistent policy of growth and expansion, for the impetus which can be given to a national economy by wise and steady leadership. In place of the bread for which they call they receive a crumbling cake demonstrating a cynical belief that once again the Canadian people can be bought off.

Where, in the debate which took place yesterday and this morning, did the Prime Minister show those great qualities of heart and mind demanded by people in these swiftly changing times? Instead, the right hon. gentleman lurched from point to point, once calling us the new Liberal party and then complaining that the same old people were within the party. And every now and then, with a glint in his eye for what he has shockingly called a servile press, he tossed out a piece of his crummy cake designed to take the country's eyes off his otherwise tasteless display.

To top it all off he had the temerity to say, as did the Secretary of State for External Affairs (Mr. Green) in yesterday's debate to be found at page 57 of *Hansard*, that the Leader of the Opposition was smearing this country. In fact, the Leader of the Opposition

attempted to state the facts as we on this side see them and as, indeed, it is our responsibility as members of the opposition to state them. He sought to bring these facts to the attention of the country and to the house. As for the accusation that he was smearing the country, I should like, with great respect, to read some of the things which the right hon. gentleman himself said in a debate which took place on March 15, 1955. I refer, first of all, to his words as reported at page 2035 of *Hansard*:

> No one here wants to speak of depression. We on this side of the house hope the government will act, because there is no depression in other countries of the world. In Britain there is no such thing as serious unemployment today, the unemployment in Britain being less than half of our unemployment with a population several times greater than ours. The same condition prevails in West Germany and in other private enterprise countries.

Remember that this talk of a depression in 1955, this criticism of a government for its unemployment figures came from a man who now guides Canada's destiny and who has guided it into, but not out of, the greatest unemployment in our history. Then again, also as reported at page 2035, we find this passage:

> We do not believe in preaching pessimism; we do not want to see the condition of affairs brought about which will create panic; but we are asking the government to act now.

That is what we on this side are doing. We are asking the government to act now. We are not smearing the Canadian people; we are not preaching doom and gloom. Our words amount to little more or less than those used by the right hon. gentleman who now calls them almost subversive.

There is a further quotation which I think hon. gentlemen should hear and it is to be found at page 2037. I ask hon. members to listen to it with great care bearing in mind that in the speech from the throne in 1960 there was a singular word which did not appear. That word was "unemployment". It does occur in the speech from the throne which was presented to us only a few days ago. But listen to what the then private hon. member for Prince Albert had to say as reported in *Hansard*:

> The government does not even recognize that there is serious unemployment. Unless they do recognize that fact they cannot achieve in their minds any actuality for the solution of the problem.

This is from a man whose spokesman in the government later said: unemployment is not a serious condition in this country; it will go away with the snow. There is one further quotation to be found on the same page and these words were spoken by the same hon. gentleman:

> That is the position of affairs here in Canada, which is an island of unemployment, as it were, in the midst of other private enterprise countries which are going ahead and which have kept unemployment down to basic levels. Surely that fact alone and the loss of our trade from month to month and from year to year, accelerating as it has in the last few years, should cause this government to decide to lift itself from its supine attitude, not of indifference but of apathy coupled with hope, and actually do something to meet the situation of the unemployed who are today asking parliament to act.

I take it that to talk about unemployment and trade losses was not smearing the government of that day and the people of that day. Those who now sit in the seats of the mighty and who are responsible for such purple passages in the *Hansard* of that year are the same individuals who have been at the helm while unemployment has mounted and trade has slipped.

There is one final passage I should like to quote in which the hon. member for Prince Albert, as he then was, summed up the burden of his thinking. I, at this time, will make the same appeal as he did then:

> Will the Prime Minister not assure the Canadian people that he believes action is necessary and that ... one of the first things to which this conference will give consideration is the problem of unemployment? Will he not state that he realizes that if we continue to deliberately delude ourselves concerning the unemployment situation we shall bring about a fear complex in this country which will have serious results in the future?

So went the gloom of that day. This was from a man who at that time said he was speaking out for the benefit of Canada. Well, we on this side of the house speak out for the benefit of Canada. We on this side ask the government to recognize this problem, not to sit back in contentment because a few thousand more people are at work than were at work a year ago. We ask them to remember the hundreds of thousands of families in this country who tonight are still without an adequate income.

We have been subjected in this country to a series of numbing shocks—shocks so severe that our foes gloat, and our friends agonize over our future. First was the shock of that tidal wave of unemployment which rose and rose to subside only when seasonal workers might find spring employment. Three quarters of a million Canadians and their friends and relatives shivered without incomes, and others feared the deluge might catch them as well. Then, when all Canada began to draw a tentative breath and hope that unemployment might be easing, came the shock of the Coyne fiasco, as unholy a row as has ever been seen in this country and caused entirely by the refusal of this government, led by a self-styled defender of the rights of the individual, to permit one particular individual his day in court.

Then, we had the long delayed budget wherein the Minister of Finance (Mr. Fleming) swallowed his tail without blinking. I have forgotten exactly what reptile this trick imitates. Surely, no minister has ever before so completely reversed himself, maintaining all along that his 1960 speeches respecting devaluating the Canadian dollar and his 1961 speeches say the same thing and that he was right both times.

Then, this strong right arm of the Prime Minister's (Mr. Diefenbaker) went off on a trade jaunt to Ghana where, by careful leaks, he and his breezy cohort proceeded in a working conference to discuss the imminent entry of Britain into negotiations to join the common market. There, Mr. Speaker, we were treated to a neat switch on the old adage and these ministers conducted themselves there as though perhaps they were of the view, "If you can't join them, beat them." These two ministers who bear the responsibility for finance and trade and commerce have, by speeches from one part of the country to another, in all of their public utterances over a period of months, made clear that Canada by whining, wheedling, kicking or screaming or any show of petulance or anger, would make it clear that the British government might not, although duly elected to look after its own people, enter into such negotiations.

Well, we have lost now, Mr. Speaker, more than a year. We have lost now the original favoured position for discussing our entry into the Six. We have lost this impetus and we have gained nothing but world wide condemnation in this loss. We, in this country, but a few short years ago were thought of as being ably and well governed, but now we receive letters from those in and out of financial institutions, people from all parts of the world and particularly from England and the United States, asking us what it is that Canada proposes to do. What has happened to Canada? Why is it that she proceeds no longer in a calm and studied way? Why is it that she appears governed by impulse?

Then, Mr. Speaker, perhaps the chief cause of complaint, the complaint of all Canadians against this evil genius, as he has been called, this man who sits in the highest seat in this country, this man who must have—

Mr. Walker: Mr. Speaker, I think the hon. lady should withdraw that statement.

Some hon. Members: Sit down.

Mr. Walker: I think the phrase should be withdrawn.

Some hon. Members: Order; sit down.

[Miss LaMarsh.]

Mr. Walker: The opposition sounds like a bunch of noisy lambs.

Some hon. Members: Order, order.

Mr. Speaker: The suggestion has been made, and I think it not without substance, that the application of the term "evil genius" to a member of parliament is contrary to the practice and the rules. I suggest to the hon. lady that she might very well reconsider that expression.

Miss LaMarsh: Yes, Your Honour; I was merely quoting what I had read elsewhere.

An hon. Member: Whom were you quoting?

Mr. Speaker: The hon. lady probably appreciates that to adopt a quotation of others is to adopt the words themselves. I would not think that that modified the position.

Miss LaMarsh: I do not know that my personal knowledge of the term is completely correct. I will bow to Your Honour's superior judgment in this regard and will desist from the use of the phrase.

Some hon. Members: Withdraw.

Mr. Speaker: I have indicated my position fairly clearly. I think the proper course for the hon. lady to follow is to withdraw an expression which is unparliamentary.

Miss LaMarsh: I so withdraw, Mr. Speaker.

Mr. Speaker: I am sorry to interrupt the hon. member, but it being 9:45 o'clock it is my duty, pursuant to section 3 of standing order 38 as provisionally amended, to interrupt these proceedings and put forthwith the question on any subamendment now before the house.

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

YEAS

Messrs:

Argue	Garland
Badanai	Godin
Batten	Granger
Benidickson	Habel
Boivin	Herridge
Boulanger	Howard
Bourget	LaMarsh, Miss
Bourque	Lessard
Brassard (Lapointe)	Macnaughton
Cardin	McIlraith
Caron	McMillan
Carter	McWilliam
Chevrier	Martin (Timmins)
Clermont	Matheson
Crestohl	Michaud
Denis	Mitchell
Deschatelets	Peters
Dumas	Pickersgill
Dupuis	Pitman
Eudes	Racine
Forgie	Regier

Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Robichaud
Rouleau
Tardif
Tucker
Winch—49.

NAYS

Messrs:

Aiken
Aitken, Miss
Allard
Balcer
Barrington
Baskin
Beech
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Bissonnette
Bourbonnais
Bourdages
Brassard (Chicoutimi)
Broome
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Bruchesi
Brunsden
Cadieu
Campbell (Lambton-Kent)
Cardiff
Casselman, Mrs.
Cathers
Chambers
Charlton
Chatterton
Churchill
Clancy
Coates
Cooper
Creaghan
Crouse
Danforth
Deschambault
Diefenbaker
Dinsdale
Doucett
Drysdale
Dubois
English
Fairfield
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Flemming (Royal)
Flynn
Forbes
Frechette
Fulton
Gillet
Grafftey
Gundlock
Hales
Hamilton (Notre Dame de Grace)
Harkness
Henderson
Hicks
Hodgson
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Howe
Johnson
Jones
Jorgenson
Jung
Keays
Kennedy
Kindt
Knowles
Korchinski
Kucherepa
Lahaye
Lambert
Legere
Lennard
Letourneau
Macdonald, Mrs.
Macdonnell
MacEwan
MacInnis
MacLean (Queens)
MacLean (Winnipeg North Centre)
MacRae
McBain
McCleave
McFarlane
McGee
McGrath
McGregor
McIntosh
McLennan
McQuillan
Mandziuk
Martel
Martini
Matthews
Milligan
Monteith (Perth)
Montgomery
More
Morissette
Morris
Morton
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Nesbitt
Nielsen
Noble
Nowlan
Nugent
O'Hurley
O'Leary
Ormiston
Pallett
Parizeau
Pascoe
Phillips
Pigeon
Pratt
Pugh
Rapp
Ricard
Richard (Kamouraska)
Robinson
Rogers
Rompre
Rynard
Simpson
Skoreyko
Slogan
Small
Smallwood
Smith (Calgary South)
Smith (Lincoln)
Smith (Simcoe North)
Smith (Winnipeg North)
Southam
Speakman
Spencer
Starr
Stefanson
Stewart
Taylor
Thomas
Tremblay
Valade
Villeneuve
Vivian
Walker
Webb
Weichel
Winkler—155.

(Translation):

On motion of Mr. Fleming (Eglinton) the debate was adjourned.

(Text):

BUSINESS OF THE HOUSE

Mr. Chevrier: May I ask the house leader what we will do tomorrow and whether he has decided yet when the interruption of debate will come for the discussion of the matters which were referred to by the Prime Minister?

Mr. Churchill: We will continue this debate tomorrow, Mr. Speaker. At the conclusion of the sitting tomorrow I shall be able to inform the house with regard to the question asked by the hon. member.

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

HOUSE OF COMMONS

Wednesday, January 24, 1962

The house met at 2.30 p.m.

SUPPLEMENTARY ESTIMATES, 1961-62

A message from His Excellency the Governor General transmitting supplementary estimates for the financial year ending March 31, 1962, was presented by Hon. Donald M. Fleming (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

TRADE

TABLING OF COMMUNIQUES FOLLOWING MEETINGS WITH U.K. AND U.S. GOVERNMENT REPRESENTATIVES

Hon. Donald M. Fleming (Minister of Finance): I should like to table communiques of two recent Ottawa meetings, first the communique issued on January 4, following the meeting which certain members of the government had with the Right Hon. Edward Heath, Lord Privy Seal in the United Kingdom government, and, second, the communique dated January 13 issued at the conclusion of the seventh meeting of the joint Canada-United States committee on trade and economic affairs. If it is the wish of the house that these communiques be printed as an appendix to *Hansard*, I think that would be the suitable course.

Mr. Speaker: It is proposed that the documents just tabled by the minister be printed as an appendix to today's *Hansard*. Is it agreed that this course should be followed?

Some hon. Members: Agreed.

[*Editor's note: For the text of communiques above referred to, see appendix A*]

PUBLICATIONS

ROYAL COMMISSION REPORT— REPORTED U.S. REACTION

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I wish to direct a question to the Prime Minister. Has the right hon. gentleman taken cognizance of the statement of the state department of the United States, as reported in this morning's *Globe and Mail*, concerning the proposed restrictions on non-Canadian magazines, and the affirmation by the official that the United States would seek some form of trade compensation if the Canadian government went through with its plan?

Has the Prime Minister any comment to make on this statement?

Right Hon. J. G. Diefenbaker (Prime Minister): Yesterday there was a statement by the press representative of the state department to the effect that the reported plan for the disallowance of income tax deductions in respect of advertising in Canadian editions of foreign magazines was of the same general character as the 20 per cent tax formerly imposed by the previous government. All I can say is that there has been no official communication directly received by the government since I set forth the terms of the projected legislation. However, there was an earlier message received by the Canadian government last August.

There is nothing further that I can add. We believe that this legislation is necessary in the interest of the Canadian identity and as an assurance that Canada's destiny will be preserved. As far as the question of compensation and the like are concerned, while believing that this matter comes entirely within our rights and is not merely a commercial question within the terms of GATT, we are naturally prepared, as I said, to listen to the views expressed regarding it though not to depart from the general plan and purport as placed before the house by us. We in Canada believe we have the right to assert the preservation of those things which are Canada's and that our Canadian publishing industry is challenged in such a way that unless action is taken we shall, in the days ahead, be dependent entirely or almost entirely on the viewpoint of another nation, however friendly.

Mr. Chevrier: May I ask a supplementary question. During the intergovernmental discussions which took place recently the communique concerning which was tabled earlier today, were conversations held in connection with the subject mentioned in the question? May I further ask whether or not consultations will be held between Canada and the United States as seems to be indicated in the statement by the official of the United States state department.

Mr. Diefenbaker: Mr. Speaker, during the progress of the meeting between United States and Canadian ministers that was informally mentioned.

Inquiries of the Ministry

Mr. Chevrier: May I follow up the last part of my question, namely, whether or not consultations will take place with the other government as referred to in the press report upon which I have based my question?

Mr. Diefenbaker: I made that very clear when I made the statement the other day.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I could put a related question to the Minister of Finance and ask the minister, in view of his opposition to what was done by the previous government, when did he see the light on the road to Damascus?

Mr. Speaker: I think the minister need not reply to that question, as it is an improper one and anticipates a debate which might take place later in the house.

Hon. Donald M. Fleming (Minister of Finance): Would you permit me, sir, to say this, in view of the form in which the question was asked? The government's proposal on this occasion is very different from the tax that hon. gentlemen opposite imposed when they were in power.

TRANS-CANADA HIGHWAY

REPORTED DISCUSSION RESPECTING OF SECOND ROUTE

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of Public Works arising over a report by Robert Moon in the Regina *Leader-Post* of January 19, under the headline "Decision likely on second trans-Canada highway." Can the minister say whether discussions, in fact, have taken place between the officials of his department and highway authorities with regard to the construction of a second trans-Canada highway?

Hon. D. J. Walker (Minister of Public Works): I have not read the article, but I can assure the hon. member that when any announcement is made in this connection it will be made by the Prime Minister. In the meantime the Prime Minister's policy still is in effect, namely, that we should finish this very difficult and very expensive trans-Canada highway before we proceed with any further ventures.

Mr. Argue: I wonder if I might repeat a part of the question. Is the minister in a position to tell the house whether, in fact, any preliminary discussions have taken place as the article says between officials of his department and highway authorities?

Mr. Walker: There have been no official discussions by my department with any other official department, to my knowledge.

[Mr. Diefenbaker.]

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I could ask a supplementary question? Is the minister's statement to be interpreted to mean that the trans-Canada highway is to be finished in all the provinces before any alternative is undertaken?

Mr. Walker: In due course we will have further word on any subject such as that. My hon. friend from Newfoundland, his adopted province, is an expert in setting bear traps but he has not succeeded in setting any for me so far.

Mr. Maurice Bourget (Levis): Is the Minister of Public Works aware of, or has he read, all the promises that were made by his colleagues with regard to the trans-Canada highway when they were sitting on this side?

Some hon. Members: Order.

Mr. Speaker: The hon. member's supplementary question turns out to be an assertion of a debating point which I take it he will have an opportunity to pursue in the future?

Mr. Bourget: It is in accordance with the answer given by the minister.

Mr. Argue: That is what is wrong with it.

CIVIL DEFENCE

CORNWALL, ONT.—GOVERNMENT PARTICIPATION IN FALL-OUT DEBATE

On the orders of the day:

Mr. Walter Pitman (Peterborough): My question is directed to the Minister of National Defence, although I think perhaps it might come within the purview of the Prime Minister. It arises from a Canadian Press dispatch stating that the federal government has ignored requests to have a representative take part in a debate on fall-out shelter policy in Cornwall sponsored by the Voice of Women.

My question is, would the minister assure these people that there will indeed be a representative of the federal government in attendance at a debate to take place this month in that city?

Mr. Egan Chambers (Parliamentary Secretary to the Minister of National Defence): Since my name was mentioned in the Canadian Press dispatch to which the hon. member has referred, perhaps he would permit me to give an answer. I received an invitation from Cornwall on Friday last and on Monday I telephoned the sponsors of the meeting to say that I would be there. On Tuesday this

item appeared in the newspaper saying that no response had been received. I will be there.

REQUEST FOR NATIONAL TRAINING PROGRAM BY ST. JOHN AMBULANCE BRIGADE

On the orders of the day:

Mr. Hubert Badanai (Fort William): I wish to direct a question to the Minister of National Health and Welfare. Has the minister given any consideration to sponsoring a widespread national training program in St. John Ambulance courses across the country to take care of emergency cases where families may take refuge in fall-out shelters in the event of atomic war?

Hon. J. W. Monteith (Minister of National Health and Welfare): I know that the St. John Ambulance brigade has been working with the civil defence authorities.

(Translation):

GRAIN

WHEAT BOARD—APPOINTMENT OF EASTERN REPRESENTATIVE

On the orders of the day:

Mr. Samuel Boulanger (Drummond-Arthabaska): I should like to ask the Minister of Agriculture a question. In his absence I will direct it to his parliamentary secretary.

Has the Minister of Agriculture taken the necessary steps to appoint a representative from eastern Canada to the advisory committee of the Canadian wheat board? If so, who is he and when was he appointed?

(Text):

Mr. W. H. Jorgenson (Parliamentary Secretary to the Minister of Agriculture): When a decision is made on this matter, Mr. Speaker, it will be announced in this house.

SHIPPING

MOOSONEE, ONT.—REQUEST FOR SURVEY REPORT ON SALT-WATER PORT

On the orders of the day:

Mr. J. R. Garland (Nipissing): I should like to direct a question to the Minister of Public Works, and ask him for an explanation of a news item which appeared in the North Bay *Nugget* of January 20, to this effect:

> A federal survey of the possibility of creating a salt-water port at Moosonee, at the mouth of the Moose river on James bay, has concluded that the project is not economically feasible.

Can the minister say whether this report has been forwarded to Toronto and will he table a copy of it in this house?

Hon. D. J. Walker (Minister of Public Works): There is no report available at this time, Mr. Speaker. When there is a final report I can assure the hon. member that I will bring it to the attention of this house. We have been working with the Ontario government on this matter and in due course, if possible, we will make any submission of it.

Mr. Garland: I have a supplementary question. Can the minister say whether any economic or engineering studies have been made in this particular case.

Mr. Argue: A political survey.

Mr. Walker: A feasibility study has been made. As the hon. member appreciates, one must determine the feasibility before one can determine any of the other matters.

Mr. D. M. Fisher (Port Arthur): With regard to this matter I should like to ask the minister whether he has any comment to make upon the reported statement of Mr. Robert Macaulay that, whatever the federal government report may be, Ontario plans to go ahead with this project.

Mr. Speaker: I question the propriety of inquiring from the Minister of Public Works for Canada about statements made by the minister for Ontario.

Mr. Fisher: It seems to me you raised a point of order, Mr. Speaker. The hon. member for Nipissing asked a question as to whether a report was available. In the public domain Mr. Macaulay was commenting upon a so-called federal government report. That is why it seems to me it is relevant within the minister's province.

Mr. Speaker: I understood the hon. member to be inquiring as to the intentions of the provincial minister. Surely he cannot expect the federal minister to answer with regard to that matter.

NORTH BAY—REPORTED INTENTION TO CONSTRUCT LOCKS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask a question of the Minister of Transport regarding an announcement made several weeks ago by the hon. member for Simcoe East to the effect that several locks were going to be introduced into the trent canal system in order to open up navigation to the North Bay area. The question arises from protests made by the Canadian Fish and Game Association. Has the minister taken into consideration the fact that plans for this waterway may open inland waters of Ontario to both lamprey and smelt infestation?

Inquiries of the Ministry

Hon. Leon Balcer (Minister of Transport): This matter was raised and my officials have taken it into consideration. Unfortunately I am not in a position to give the result of that consideration. The decision of the government to go ahead with these locks has met with a good reception in that part of northern Ontario.

TRADE

EUROPEAN COMMON MARKET—PARTICIPATION IN NEGOTIATIONS WITH U.S.

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): I should like to direct a question to the Minister of Finance. It is based on a newspaper story by the Canadian press in this morning's *Globe and Mail* under the heading:

U.S. expects Canada ... to join future inner six talks.

My question is this. Will he advise the house whether the Canadian government is prepared to participate in any new negotiations undertaken by the United States to reduce tariffs with the European common market?

Hon. Donald M. Fleming (Minister of Finance): That, of course, is a hypothetical question, Mr. Speaker. It will naturally depend on when this happens and also on the circumstances. I have had occasion to point out that the goals set forth by President Kennedy are identical with those pursued by the government of Canada. We are both seeking an expansion of trade on a multilateral non-discriminatory basis. After the United States president has obtained the necessary powers from Congress, if he then pursues negotiations with the European economic community and if it is then proposed that the scope of the discussions should be enlarged in order to include other countries, you may be sure, Mr. Speaker, that Canada will be intensely interested. We are ready to play our full part in pursuing the goal that we hold in common.

RUBBER FOOTWEAR—REPORTED EXCEEDING OF QUOTA BY JAPAN

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Finance. Has his attention been drawn to a statement by Mr. Greig Smith, secretary of the rubber association of Canada, to the effect that Japan has exceeded its self-imposed quota on the importation of rubber footwear into Canada by some 66 per cent during the last calendar year? If so, has the minister any comment to make?

[Mr. Fisher.]

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I am examining the assertions that are contained in that newspaper article.

EUROPEAN COMMON MARKET—REQUEST FOR TABLING OF SPEECH BY U.K. LORD PRIVY SEAL

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I should like to direct a question to the Prime Minister. Is he prepared yet to answer the question I asked him on January 19 concerning the tabling of the speech of the Lord Privy Seal of the United Kingdom?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I will see that it is tabled.

Mr. McIlraith: May I ask the Prime Minister to give consideration to doing so reasonably promptly, in view of the fact that the throne speech is going on and it may be desirable to make reference to it?

Mr. Diefenbaker: It has already been published in the newspapers and I thought the hon. gentleman would have it. I shall try to get it again and table a copy today.

Mr. McIlraith: I would not like to rely on newspaper reports of the speech because the government denies them so frequently.

Mr. Churchill: What about a recording tape?

Mr. Pickersgill: As a supplementary question I would ask when the Prime Minister tables the report of Mr. Heath's speech that he table, at the same time, the report which was made to the Canadian government and which they found insufficient. I ask this so that the house and the public may be able to compare the two.

Mr. Speaker: Order. The hon. member's question was completed before he began to elaborate on it.

Mr. Diefenbaker: Mr. Speaker, it was completed before it was started. So far as that question is concerned we would naturally wish to communicate with the British government on whether or not the document in question can be tabled.

Mr. Pickersgill: Would the Prime Minister undertake to do that?

POWER

INQUIRY AS TO ESTABLISHMENT OF NATIONAL GRID

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Prime Minister. Can he inform the house what steps

he has taken to date to promote interest on the part of provincial governments in the development of a proposed national power grid?

Right Hon. J. G. Diefenbaker (Prime Minister): Decidedly informal discussions have taken place from time to time. My memory of the matter is that a letter has been sent to the premiers of the various provinces. In consequence of and following their replies, further steps will be taken. However, I will have the matter looked into and will be in a position to give the hon. gentleman a full answer tomorrow.

UNITED NATIONS

ANGOLA—SUGGESTED CANADIAN AMENDMENT TO PROPOSED AFRO-ASIAN RESOLUTION

On the orders of the day:

Mr. Lucien Cardin (Richelieu-Vercheres): I should like to direct a question to the Secretary of State for External Affairs. In view of the resolution proposed at the United Nations by the Afro-Asian nations yesterday requesting that all aid to Portugal be withdrawn owing to the situation in Angola, will the Canadian government consider proposing an amendment to this resolution asking that aid be cut off to any nation which oppresses people in territory under its control?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, this Afro-Asian resolution dealing with the Angola question is at present under consideration in the department. My impression is that an amendment such as the hon. member raises would not be relevant to this particular resolution because it deals only with Angola.

Mr. Cardin: Does the minister not feel that such a resolution would be discriminatory?

Mr. Green: I do not think that an amendment of that kind would be a suitable one for this particular type of resolution.

FISHERIES

GREAT LAKES—U.S. FUNDS FOR LAMPREY CONTROL

On the orders of the day:

Mr. P. V. Noble (Grey North): I should like to address a question to the Minister of Fisheries. The Owen Sound *Sun-Times* of January 19 reported that President Kennedy has requested from congress the sum of $967,000 for lamprey control in the great lakes. Can the Minister of Fisheries advise us if this money is for the international great lakes fishery commission?

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, from the figure mentioned I can only assume that this represents the United States' share of the budget of the international great lakes fishery commission for the next fiscal year. By agreement Canada provides 31 per cent of the budget of this commission and an amount of approximately $350,000 will be included in the estimates for the next fiscal year as Canada's share.

NEWFOUNDLAND—REQUEST FOR ASSISTANCE TO STORM VICTIMS

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): I should like to direct a question to the Minister of Labour. In view of the recent storm which took place on the east coast of Newfoundland and which destroyed private wharves, slipways, fishing equipment and boats belonging to fishermen, many of whom will be unable to resume fishing operations unless they get assistance, would the minister advise whether the government contemplates assuring that special assistance to the fishermen affected is provided?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, the hon. member sent me notice of his intention to ask this question but since it relates to the situation so far as fishermen have been affected I have taken the liberty of passing the question on to my colleague, the Minister of Fisheries.

Hon. J. A. MacLean (Minister of Fisheries): Mr. Speaker, more than one department was advised of the effects of this storm in Newfoundland in December. On receiving reports of the damage following the storm the Department of Fisheries undertook a survey of the area involved to determine the extent of the damage. This survey is not yet completed.

AGRICULTURE

BUTTER—MAINTENANCE OF SUPPORT PRICE

On the orders of the day:

Mr. Gaston Clermont (Labelle): I wish to direct a question to the Minister of Agriculture. Is the minister in a position to tell the house whether the government will meet the request of the representatives of the dairy farmers that the support price of 64 cents per pound be maintained for 1962-63?

Hon. D. S. Harkness (Acting Minister of Agriculture): As the hon. member is aware, dairy policy for the ensuing year is announced prior to May 1, but not a great deal prior to that. I can assure him that this matter is receiving consideration and there will be an announcement by that date on it.

Inquiries of the Ministry

LABOUR CONDITIONS

WINTER WORKS PROGRAM—INQUIRY AS TO FACILITIES IN UNORGANIZED TERRITORY

On the orders of the day:

Mr. Harold Hicks (Fraser Valley): I have an urgent question for the Minister of Labour. Before the close of the last session I got the impression that he had completed arrangements to provide, under the winter works program, the same facilities for persons living in unorganized territory as for those living in municipalities. I have just learned that 35 men living in the Popkum area of B.C. have been refused winter work because they have no organization to collect the 25 per cent stipulated. Why should they be expected to provide this amount when they have no access to taxes?

Hon. Michael Starr (Minister of Labour): We have included the unorganized territories under our winter works program. However, no submission has been received from the province of British Columbia relating to winter works projects in this unorganized area. I am informed that a submission was forwarded to the province by this area, but was rejected by the province. So far as we are concerned we are dealing with unorganized territories on the same basis as municipalities, and are contributing 50 per cent of labour costs when provincial approval has been secured.

INCOME TAX

DEDUCTIBILITY OF RADIO AND TELEVISION ADVERTISING EXPENDITURES IN U.S.

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): In view of the answer given by the minister yesterday I wish to ask the Minister of Finance whether any expenditures now made on advertising on radio and television stations in the United States by Canadian taxpayers, would be deductible as a business expense.

Hon. Donald M. Fleming (Minister of Finance): That would depend on circumstances. I do not propose to give the hon. member an off the cuff reply to a question of that kind.

Mr. Pickersgill: I was not asking for any off the cuff reply. I was asking if the minister could find out. Perhaps he could take this as notice of a question as to whether these are allowed as deductions?

Mr. Fleming (Eglinton): If the hon. gentleman has questions of that kind I suggest he put them on the order paper in accordance with the rules of the house.

[Mr. Harkness.]

DEFENCE PRODUCTION

LINDSAY, ONT.—INQUIRY AS TO SALE OF CANADIAN ARSENALS PLANT

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): I wish to direct a question to the Minister of Defence Production and ask him has the government given consideration to the sale of the Canadian Armament Corporation plant in Windsor, Ontario.

Hon. Raymond O'Hurley (Minister of Defence Production): No sale of this plant has been made. A request was received by a company from Toronto to purchase the plant, and I have submitted it to the directors of Canadian Arsenals who are studying the question. There is no question of a sale for the time being.

POSTAL SERVICE

MONTREAL—REPORTED DELAY IN DELIVERY OF CHRISTMAS MAIL

On the orders of the day:

Mr. Azellus Denis (St. Denis): Is the Postmaster General aware that thousands of Christmas cards and letters mailed before Christmas in the city of Montreal did not reach other sections of the same city until after Christmas? Would he care to comment on that?

Mr. Speaker: The urgency of the matter seems to have disappeared with the Christmas season.

Mr. Denis: In view of the fact that this happened would the minister take steps to ensure that Easter greetings will arrive on time?

Mr. Speaker: All I can suggest to the hon. member is that he might renew his question next November.

Mr. Pickersgill: In order that the question might have a little more urgency may I ask the Postmaster General whether he would take steps to make sure Valentine greetings are delivered on time?

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Tuesday, January 23, consideration of the motion of Mr. Rodrigue Bourdages for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the proposed amendment thereto of Mr. Pearson.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the government welcomes the test of confidence that is being put to the house in the amendment now under debate introduced by the Leader of the Opposition (Mr. Pearson). In the time at my disposal today, just 30 minutes, it will be necessary for me to be quite compendious in my treatment of some of the subjects.

I have some comments to make about the speech of the Leader of the Opposition and about issues, both those which he raised and those which he so carefully evaded. Of his speech I will say that in general it was a compound of distortions, errors, half truths, half quotations and selected anti-Canadian quotations.

Some hon. Members: Hear, hear.

Mr. Fleming (Eglinton): There was little, if anything, in it that was constructive. If the Liberals have the answers that they claim to have, then certainly they are carefully hiding them. There is no better proof of that than the way in which the Leader of the Opposition, any time anybody asked him a question, sped away from that question as fast as he could. There was nothing new in his speech. Indeed, his speech was most unoriginal. It was a repetition of the same old baseless and empty charges and false accusations. As a performance it was old hat.

It was evident that the Leader of the Opposition was using *Hansard* as a convenient vehicle for gathering together in one place a lot of newspaper quotations mostly from partisan, anti-government sources to serve as campaign propaganda in the next election, and he has left *Hansard* to groan under this dismal burden.

There were many subjects omitted from his speech. After touching ever so deftly, ever so lightly, indeed, almost ignoring some recent events and certainly completely ignoring subjects of very great national importance, and ignoring and misrepresenting the contents of the throne speech, he touched on, I think it is fair to say, three subjects: first, international trade patterns; second, the state of the Canadian economy; and third, he besmirched the image of Canada abroad.

I shall be obliged, because of the time limit, to confine myself largely to the first two of his subjects. In regard to the third, I say only this, that if anyone is astute enough and selective enough he can always find articles in the press abroad that are critical of Canada or Canadian policy. They were there also in the days of the previous government. This is not a new phenomenon. You will find these opinions expressed by people who do not know Canada or Canadian conditions or who sometimes become self appointed authorities on Canada after a week end visit to Ottawa or Toronto or a visit to some Canadian port or city.

But not every Canadian would besmirch his own country by constructing his most important speech for 1962 out of the most careful selection of every adverse comment abroad that he could find, assiduously omitting the many which comment favourably on Canada and Canadian policy and then seeking to exalt his own image of himself by reflecting in a personal way on his distinguished successor, the Secretary of State for External Affairs (Mr. Green).

Sir, if this is the new Pearson let me say, as one who has known the gentleman for many years, that I personally very much prefer the old Pearson.

Mr. Pickersgill: That is obvious.

Mr. Fleming (Eglinton): Was Canada's prestige abroad lowered when the Prime Minister of Canada (Mr. Diefenbaker), at the United Nations a year ago last autumn, made that eloquent and effective plea in the cause of the subjugated peoples of Europe under the heel of the U.S.S.R.; or when the Prime Minister, at the commonwealth prime ministers conference last year, took a firm stand on principles that saved the commonwealth; or when my colleague, the Secretary of State for External Affairs, with great patience and persistence has been carrying on an effort at the United Nations on behalf of disarmament and the control of arms and denouncing the way in which the Soviet union has been defeating these efforts?

Did Canada's prestige abroad suffer on these occasions, or did Canada's prestige abroad suffer at those many economic conferences under commonwealth auspices at which Canada took a leading role?

Has Canada's prestige abroad suffered when we see that our relations with the United Kingdom are as close and friendly as ever, notwithstanding the efforts of malevolent persons who misrepresent those relations as being disturbed, and when we have in this way healed the wounds that were inflicted on those relations five years ago by the previous government over the Suez issue?

Did Canada's prestige abroad suffer when our relations with our closest neighbour, the United States, are today as close as ever they have been and are based, I think, on a clearer and better understanding of one another than they ever have been?

For personal reasons I make no comment on the organization for economic co-operation and development. I leave these facts to speak for themselves, and those of us who know him

hope that the Leader of the Opposition will be better able to resist the temptations of the green-eyed monster.

I turn now to the subject of international trade patterns. On this subject the Leader of the Opposition departed far, far from the facts. He has done it before on this question. Therefore I wish to take it a stage at a time and to discuss it as simply and as clearly as I can.

First of all I refer to the European economic community, which finds expression in the European common market. This is an existing fact, a fact of primary importance. The E.E.C. has very important economic goals and very important political goals, the latter being quite often overlooked by some people on this side of the Atlantic. The six countries concerned are moving closer toward these goals and they have declared for closer political integration.

Similarly, they are moving toward a closer integration of their economic policies. They are moving toward a common external tariff, toward the free movement of persons and capital within their borders and toward the erection of a number of institutions.

Our relations with the E.E.C. are, on the political side, very warm and very friendly. All six countries are our allies and we recognize the value of a strong and united western Europe as a bastion of freedom.

On the economic side, the interests that we have in common with the community are enormous. We, along with the United States, have in the post-war years extended aid to these countries and have contributed substantially to their reconstruction and economic revival. We rejoice in their economic comeback.

We look upon the European common market as an enormous and growing market for Canadian exports. We have been taking full advantage, and urging Canadian producers to take full advantage of every opportunity to expand their sales in that quarter. Great success has attended those efforts. Canada's sales to the six countries of the common market have quadrupled in the last 10 years. Our sales to the common market countries are running currently at about half a billion dollars per annum.

Our concern as to the policies of the community are, first of all that they should adopt outward and not inward-looking policies, and second, we have deep concern over their agricultural policy.

The question is sometimes raised: can Canada join the community? The answer, Mr. Speaker, must be no.

The treaty of Rome, which gave rise to this institution, provides clearly that membership is open only to European countries. It is a distinctly European institution. There is provision for association of what are called associated overseas territories. This category is not applicable to the self governing countries of the commonwealth. It applies to some countries that have been in association with these six countries. We have some examples in northern Africa. So that—

Mr. Pickersgill: What about article 238?

Mr. Fleming (Eglinton): —there is no provision there for North American countries.

There is an article in the treaty which provides for association, as it is called—not associate membership, but entering into association. Greece, for instance, has become an associate member. It has been made clear by the six that the kind of association which is contemplated there is with less developed countries, and not what we commonly call the exchange of trade advantages. That is not the kind of association which is contemplated. Of course, the community as an institution has been negotiating at GATT. We have been negotiating with them for a year and a half, so that is not to be confused with membership in the association or association in the sense to which I have just referred.

Some Liberals who have been saying that Canada should join the common market—and Mr. Douglas, the leader of the N.D.P. has been openly advocating this—are obviously not acquainted with the subject they purport to discuss. This matter has been touched on by President Kennedy who dealt with the subject in very plain terms when he said: "I do not know what the word 'associated' means in that question". He had been asked whether the U.S. proposed to become "associated" with the common market. Then he added:

> I have not heard it proposed the United States should become a member of the common market or associated with the common market in the sense that the word is ordinarily used.

The fact is that Canada, particularly as a country looking for a larger market for the export of its agricultural surpluses, is not the kind of country that the Six would find it suitable to be associated with in the meaning which is contemplated by certain clauses of the treaty as I have indicated. There has been a certain amount of error and confusion on this point and for that reason I thought it well to deal with it now.

I pass, now, to the application of the United Kingdom for membership of the common market. These negotiations are currently proceeding. It becomes, then, a question of what terms can be negotiated. What decision has the government of the United Kingdom taken? It has not taken a decision to enter

the European common market. That is perfectly clear. Hon. members opposite, and the Leader of the Opposition (Mr. Pearson) in particular, talk as though this was the decision which had been taken. The decision which the United Kingdom government took was to open negotiations, to ascertain whether acceptable terms of entry could be negotiated. That decision was taken at the end of July, not until after Mr. Duncan Sandys had been here in that month and visited other commonwealth countries. The decision with respect to entry will be taken, we have been assured, only at an advanced stage of the negotiations. That stage has not yet been reached. Undoubtedly, the United Kingdom government strongly desires to enter the common market, but not at any price, and Mr. Heath, when he was here—and he is conducting the negotiations for the U.K. government—made that abundantly clear within the last month.

The Leader of the Opposition and some newspapers were saying long ago that the United Kingdom was going into the common market. They were saying this even before the U.K. had decided to negotiate. Their statement has been contradicted by the United Kingdom government itself, and I think they know their own business better than the Leader of the Opposition knows it for them. We are, of course, fully aware of the possibility of the United Kingdom joining the common market and our planning takes this possibility into account. In the present stage, current interest is concentrated on the terms which are under negotiation.

The next question is, what is the meaning for Canada and the commonwealth of the United Kingdom entering the common market? There will, of course, be some pluses and some minuses. We can only consider these in terms of the net result. Obviously, the E.C.M. will become larger and enormously more powerful, both politically and economically. How will it use that power? This is a question which is of vital importance to Canada and to the commonwealth. The policies and attitudes of the various members of the community are not all the same. The question then is, will outward-looking policies prevail? We hope so. Only time will supply the answer to that question.

The importance to Canada of this question can be gauged from the importance to Canada of the United Kingdom market. We sell to that market today approximately $1 billion worth of goods per annum and these exports cover a wide area. They include agricultural products, industrial raw materials and manufactured and semi-manufactured products. There is a great variety in our sales to the United Kingdom, and these sales have been expanding; this is not a static market. Seventy six per cent of all that Canada is selling to the United Kingdom could be affected by the entry of the United Kingdom into the common market, depending upon the terms. This is because these goods enter under the commonwealth preference system and in many cases are guaranteed free entry or free entry with a preference. This is a matter of agreement. Canada has bought and paid for these advantages in the United Kingdom market; it has been a matter of exchange of trading preferences. The United Kingdom market is Canada's leading market abroad for wheat. What of the prospect of a 20 per cent tariff against Canadian wheat if the United Kingdom enters the common market, replacing free entry into the British market as is the case today? That is not all. The countries of the E.E.C. have erected many quantitative restrictions in the course of their agricultural policy. Agricultural protectionism is high in Europe and it takes many diversified forms. If the United Kingdom were to enter the common market without taking steps to protect commonwealth, including Canadian, interests the results could be very grave for Canada and for the commonwealth. Our trade, both in agriculture and industry, could suffer enormous losses and dislocation.

In the course of our discussions with the United Kingdom we have received assurances that they will safeguard the vital interests of the commonwealth or they will not go into the common market. We value those assurances and we appreciate them. We recognize the difficulties which confront the United Kingdom and the heavy responsibilities which Mr. Heath, in particular, bears in these negotiations. We have sought to help him in these tasks.

Here I point the difference between the Liberals and ourselves. They have been trying to push the United Kingdom into the common market. For example, Mr. Walter Gordon of Toronto has been saying on various occasions that Canada should encourage and support Britain's plea to join the E.C.M. Apparently he is not greatly concerned about the safeguards necessary to protect the interests of Canada and the other commonwealth countries the importance of which is recognized by the United Kingdom government itself following our discussions at commonwealth conferences and in bilateral talks.

We can trace this attitude on the part of the opposition to the historic Liberal opposition to the commonwealth preference system and, indeed, going further, to the indifference that the Liberal party has shown in the past to the commonwealth as an institution. They

have shown it often in relation to the commonwealth preference system, and in the blithe way in which they would, apparently, throw away the advantages which Canada enjoys in the British market. They reveal themselves as oblivious to the interests of Canadian farmers, Canadian workers and Canadian producers.

Two days ago the Leader of the Opposition said we had been remiss in not selecting priorities. Do hon. members realize what that means? He said we were remiss because we had not come forward and made proposals for the sacrifice of Canadian interests or producers on the altar of entry into the common market. His idea is that Canadian industries, including agriculture—because agriculture has an enormous stake in these negotiations—should line up on the right, as it were, and step forward for extermination. The Canadian government has not regarded it as its responsibility to sacrifice Canadian interests. We have considered it our responsibility to have due regard for Canadian interests in the larger context of seeking those measures which will strengthen the economy of and good relations within the whole free world.

The importance of these economic factors in maintaining the commonwealth has been misunderstood and underestimated by hon. members opposite. I wish they had been at the Accra meeting to hear the representatives of the commonwealth countries there. Country after country pointed out the importance to them of the maintenance of these commonwealth trade arrangements. Indeed, a representative of one of the leading countries said there, "If you do away with our trade preference, my people will ask what is the use of belonging any longer to the commonwealth?"

Mr. Pickersgill: Was that the representative of Canada?

Mr. Fleming (Eglinton): No. Some of the newer countries of the commonwealth have not the same background as we have. This fact has been misrepresented and distorted by hon. members opposite but it is a plain fact readily recognized by all who are up to date in their knowledge of the commonwealth.

Mr. Pickersgill: Such as the press.

Mr. Fleming (Eglinton): I come now to the question of commonwealth views. The concern that we have expressed is shared by all of the commonwealth countries, and all of the commonwealth countries spoke unanimously on this subject at Accra and elewhere. The misrepresentation of what happened at Accra has been enormous. It has been said that Canada led a ganging up on the United Kingdom. Nothing could be further from the truth. That statement was published by the nephew of the Leader of the Opposition. It is not a true statement. There was not any ganging up. It is a bad picture to draw of the United Kingdom as if it were not able to look after itself at a meeting of the commonwealth countries where we always meet as friends. When hon. gentlemen opposite take the position that was taken, they are attacking the position of the whole commonwealth, because it was an unanimous expression of concern. And so, Mr. Speaker, there is no right to select Canada as a whipping boy for those who disapprove of a position taken by the entire commonwealth including Canada.

I am pressed here for time, but let me say this. We have always recognized that entry into E.E.C. is a decision which the United Kingdom will take and the United Kingdom alone. We have been concerned for the interests of Canada and the commonwealth, and we have properly, frankly and amicably expressed that concern and the grounds for it at these meetings, as was our duty. The course that we have taken has, in fact, greatly strengthened the hands of the United Kingdom in these present negotiations, the Leader of the Opposition to the contrary notwithstanding.

We are assisting the United Kingdom in these negotiations with all required information in relation to Canadian trade. Those negotiations are about to enter a new phase. There have been discussions at Brussels hitherto carried on by our very distinguished ambassador there, Mr. Sydney D. Pierce. I do not like the way in which hon. members opposite seem to downgrade a very eminent Canadian representative there in the person of Mr. Pierce. But because the negotiations are about to enter a new phase we have arranged to send over a strong team of trade experts to Brussels to be available there at all times for constant consultation.

Mr. Pickersgill: Not bureaucrats?

Mr. Fleming (Eglinton): These negotiations are of vital importance to Canada, and Canada and other commonwealth countries are not parties to the negotiations. Therefore, consultation is of the highest importance. That has been recognized in our talks with Mr. Heath. I have no apology to make for having renewed the request of the Canadian government addressed to the government of the United Kingdom for a copy of his Paris speech of October 10 which was of such vital importance to all of the commonwealth countries. When we received a copy of that

speech we were delighted with it and had the opportunity of congratulating Mr. Heath and expressing our appreciation to him of the full contents of that speech when we had our recent meeting with him. I invite hon. members to read what was said in the communique issued following the talks with Mr. Heath.

Mr. Speaker, there has been the grossest kind of misrepresentation of the position taken by my colleague, the Minister of Trade and Commerce, and myself, at Accra. The discussion there and in our other meetings, whether in London or Ottawa, has always been frank. Views have been expressed in friendly terms. There have been no bitter speeches. Some newspapers have been saying there have been, but their statements are just fairy tales. There is no news in good relations between Canada and the United Kingdom, but if someone can imagine that there is some disturbance of relations, that makes news.

I do not accept the statements of the Leader of the Opposition in this matter. He was not at Accra, and no newspaperman was inside that conference. But I will accept the statements made by British ministers since the Accra meeting.

One of the leading British ministers at that conference was Mr. Reginald Maudling, then the president of the board of trade. Mr. Maudling was in Canada a fortnight later and was asked about this. At page 9056 of *Hansard* of September 28, 1961, I gave the full text of the Canadian Press dispatch on a statement he then made but at this time I shall quote just one paragraph from it:

He—

That refers to Mr. Maudling; and remember, Mr. Speaker, Mr. Maudling was a veteran of all these commonwealth economic conferences where the subject had been discussed. I continue:

He described the recent meeting of commonwealth ministers at Accra, Ghana, as "the best discussion we ever had". He didn't agree with all that was said but he considered that everything said was reasonable.

That statement was made by Mr. Maudling who was present at Accra.

Mr. Pickersgill: Would you expect him to say anything else?

Mr. Fleming (Eglinton): In the face of the blatant nonsense uttered by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) and other hon. gentlemen opposite, here is what was said by Lord Amory, the British high commissioner to Canada, a former chancellor of the exchequer. This statement was made just two days ago on his arrival in British Columbia.

Mr. Chevrier: Why is the minister so exercised?

Mr. Fleming (Eglinton): The minister is exercised about the untruths uttered by hon. members opposite who utter untruths because they think they will help them back into power and I detest their actions in this regard.

Mr. Chevrier: The minister is calling everyone a liar these days.

Mr. Fleming (Eglinton): These are the words of Lord Amory according to a Canadian Press dispatch dated January 22:

Lord Amory said there is no resentment in Britain about Canada's early reaction to proposed British membership in the six nation trading bloc. "Canada was fully justified in putting any reservations she had fully before the government of the United Kingdom," he said.

Those are the words of Lord Amory. But that is not all. Let me read from Lord Amory's speech to the Canadian Manufacturers Association in Toronto, November 22, 1961. Here are some of the comments he made:

—we in Britain do understand the anxieties expressed by your government—

Speaking of the Canadian government.

—about the possible consequences upon Canadian trade and the commonwealth if we enter the European common market.

Nor have we any reason to resent the forthright way Canadian ministers have voiced these anxieties.

It is right and healthy that on such occasions we should speak frankly to one another, and there is no reason whatever why doing so should impair our friendship or our confidence in one another. I am sure that it is not going to do either in this case. Personal relations between British and Canadian ministers are close, friendly and cordial. And though we each have our own ideas we agree that in a matter of this kind it is impossible to be sure how things will in fact turn out or what their effects will be in this rapidly changing world.

Speaking of the anxieties expressed by the commonwealth countries he went on to say:

Those anxieties are not vague apprehensions without substance.

And further:

We understand very well Canadian anxieties about trade in the various categories of importance to Canada in which there is at present free or preferential entry to Britain—foodstuffs and notably wheat, raw materials such as aluminium and timber, and manufactured goods.

Mr. Speaker, I will accept those statements as accurate statements as to what has been the tenor of the discussions between Canada and the United Kingdom in relation to the United Kingdom application to join the common market, but I will not accept the untruths and distortions that have emanated from the opposition on this subject and, not least of all, those from the Leader of the Opposition that we heard on Monday last.

What of our trade relations with the United States? No new initiative or wider approach

would be possible today without participation of the United States having regard to the extent of its interests.

President Kennedy's announcement of a few days ago has been received with the keenest interest by the Canadian government. We have expressed our policy in virtually identical terms. We recognize that his initiative is in the very early stages. His message to congress on the subject is, I believe, expected today or tomorrow. His proposal will then have to run the gamut of congress. It is estimated it will take at the very least six months before congress can act on any such legislation.

We would not wish to prejudice, by what might be considered in some quarters as foreign intrusion, the course that that legislation may follow in congress or the consideration that may be given to it there. It is clear that the United States are pursuing the same goal of seeking an expansion of world trade on a multilateral, non-discriminatory basis as we are. The means is not free trade, but freer trade. This is not to be confused with joining the common market.

President Kennedy was quite clear on this when he said recently:

> I am not proposing, nor is it either necessary or desirable, that we join the common market, alter our concepts of political sovereignty, establish a 'rich man's' trading community, abandon our traditional most-favoured-nations policy, create an Atlantic free trade area, or impair in any way our close economic ties with Canada, Japan and the rest of the free world.

I say, Mr. Speaker, that these words apply with even greater force to Canada's situation. Like the United States, our trade and economic interests are far flung; only we depend relatively much more on foreign trade than does the United States. Just as our southern neighbour has political interests all over the world so our own political interests are very wide, embracing many areas and countries. We have a European heritage and we are a member of the Atlantic community but we also value our membership in the commonwealth, we are a country of North America, we have close relations with the United States, and we have developed increasing trade bonds with third countries such as Japan.

Mr. O. J. Godin (Nickel Belt): It is an honour for me, Mr. Speaker, and for the people of Nickel Belt that again this year I should be given the opportunity to join my colleagues in this traditional debate on the speech from the throne. I should like to do as my colleagues on both sides of the house have done and congratulate the seconder (Mr. Browne, Vancouver-Kingsway) who accomplished his task very well and was apparently so short and sweet in congratulating the government.

(Translation):

Mr. Speaker, I also wish to offer my congratulations to the hon. member for Laval (Mr. Bourdages), who moved the address in reply to the speech from the throne, and to the hon. member for Pontiac-Temiscamingue (Mr. Martineau), who has been appointed Deputy Speaker.

I must not forget to congratulate the hon. member who has now become Minister of Mines and Technical Surveys. I have to remind him of the fact, that, representing, as I do, a constituency where the mining industry is quite important, I will often have to call upon the services of his department, and I will perhaps be one of those who will be paying the closest attention to whatever he does.

(Text):

I am sure the people of Nickel Belt would like me on this occasion to address myself to the general problems that face us in Canada and not necessarily deal with certain details which hon. members undoubtedly will have the opportunity to discuss under various circumstances during the session. The backbenchers have been greatly helped in this debate, of course, in this way. On the first day we had the occasion to hear the Leader of the Opposition (Mr. Pearson) and also I must admit, we had the opportunity of listening to the Prime Minister (Mr. Diefenbaker) himself, who spoke in rebuttal. As has been mentioned, this may be an election year, and therefore the record of the government is undoubtedly a matter for discussion. Notwithstanding what the Minister of Finance (Mr. Fleming) believes the Leader of the Opposition, with evidence in hand has indicated to the people of Canada the shortcomings of this government, as a member of the opposition I am certainly proud of the information given on Monday last by the Leader of the Opposition concerning the grave problems in Canada. On the other hand, I must admit that we had occasion to listen to the Prime Minister himself who was called upon to defend himself and the government against the accusations made against him.

The difference between the two speeches was obvious to all members of the house. As you will recall, Mr. Speaker, in the last portion of the first day the Prime Minister, when he was called upon to speak, spent all his time making reference to a document written by Mr. Blakely and purporting to deal with the situation in 1955 and 1956. Notwithstanding the fair record of the Liberal party at that time we are, of course, prepared to admit that, in the face of the promises of this government and of the Prime Minister, the Liberal party

could not be elected in 1957 and 1958. But surely to goodness the Prime Minister himself does not wish to believe that he can be elected on a worse record.

What was the course of the Prime Minister on the next day? To what purpose did he engage the attention of the house? On the next day we were taken back to 1952 and 1953. It was an example of the old process of diversion. We have problems to discuss and to solve but the Prime Minister took us back to 1952 and 1953. He attacked one Mr. Drury and others. I am told that Mr. Drury has a wonderful record of service in this country. The Prime Minister attacked persons who cannot stand up in this house and defend themselves. Those were the people who were attacked on the second day. That is a type of diversion.

We must recall that the Prime Minister took charge of this government under a theory of diversion. Then it was diversion of trade. We now have diversion of issues. A little later we had a good example of it in the speech of the minister representing Newfoundland. Although the speech was entirely out of order we were diverted into exclusively provincial matters. While we are busy here this week trying to discuss problems facing Canada and to enlighten ourselves with regard to them, we have this kind of diversion.

Then this afternoon we had the Minister of Finance (Mr. Fleming) criticizing the Leader of the Opposition because he, the Leader of the Opposition, had used quotations or information received from people who had something to say in criticism of this government. Then the Minister of Finance himself went on to speak for half an hour using all the quotations he could possibly locate in order to excuse his government and possibly to improve his position. Is that not a diversion from the problems with which we are faced? Let us deal with the problems themselves and not try to divert the discussion into other channels.

If the attempt to divert the discussion in this house fails, resort is had to the old routine of saying that the opposition is a party of doom and gloom. It is no such thing. A loyal opposition is an integral part of our parliamentary system and we appreciate it in that way; it should be so appreciated at all times and not just when the Conservatives are in opposition. It should be appreciated whenever the Canadian parliament sits.

Is the Prime Minister going back to the theory of Mr. Khrushchev, namely complete imperialism? A few months ago we all received reports of the praesidium meeting in Moscow when Mr. Khrushchev had occasion to deliver a speech which was possibly similar to the one we heard last week. As we find from reading the reports of it, nobody was allowed to object. In those reports we have seen absolutely no objection. Is that the type of Canadian parliament our Prime Minister wants? Do the members in this house recognize the Prime Minister who says he wishes to stand for the best traditions of this parliament? What type of tradition are we upholding if we are trying to muzzle the opposition which has a purpose and a function? I realize, of course, that as the Conservatives were in the opposition for so long a period, the Canadian position may not be affected. But nevertheless I believe we should have this respect.

Before I go on to speak about economic matters I should not like the members of the New Democratic party to think that I am forgetting them. Of course, it is rather hard to know what these initials mean, as we hear so many versions. For instance, just the other day I heard Mr. Douglas, the new leader of the N.D.P., referred to as the newest displaced politician. He was apparently so well displaced that even the person who was trying to become his successor could not fill his shoes. More recently I have heard people refer to the N.D.P. as the new demolition party. There may be some truth in this reference. If they are trying to demolish anything, it may be the party itself. We have read this in the papers. I think it is time that someone stepped up to protect the right to vote of the Canadian people. Certainly this party will demolish something if from now on the workers of this country cannot vote as they wish according to their choice but rather must ask someone else in what manner they should vote.

There is no doubt that we are facing an election year unless the Prime Minister (Mr. Diefenbaker) is prepared to imitate in every respect the action of Lord Bennett some 30 years ago when he stayed in office for the full five year stretch. Undoubtedly everyone recognizes that an election should normally take place this year. If the Minister of Finance, the Prime Minister and other speakers on the government side are right, the present administration must be a great success and I think it is only proper and fair that members of the House of Commons should demand an election this year.

Furthermore, we must demand a proper accounting, something which will satisfy the Canadian people so that when they go to the polls they will know with certainty the problems with which the country is faced. I say that an election should take place but I also say at once that an accounting is necessary. Immediately upon the conclusion of this debate, why could not the Minister

of Finance present his budget? That is possible, and certainly in that way the Canadian people could be enlightened.

I have read comments on the speech from the throne. There is not too much to be found in it but I should like to refer the house to a comment I read in a paper that is very friendly to the government, the *Globe and Mail* of January 20. The editorial commences in this fashion:

> There was a general expectation in Canada this week that the speech from the throne, opening what is presumably the last session of the present parliament, would be a resounding election manifesto. It has proved to be nothing of the kind; it would be difficult to imagine anything further from a blast of trumpets. It is, in fact, a curiously thin and inadequate statement from a government which must soon face the voters.

The present situation is a harmful one. In the face of the weakness of the government in expressing itself as to the state of affairs in Canada, people are wondering just what they are heading for. I should like to read another paragraph from the same editorial because it puts the situation quite well.

> We shall apparently have to wait until the budget is brought down for an answer—which may be several months. This is hard on the public and still harder on business concerns, which must plan their 1962 programs, without knowing whether they face higher taxes, another bout of inflation, or some radical change in government economic policy. This uncertainty will hardly promote enterprise and expansion.

So far as an accounting is concerned, Mr. Speaker, I think the major emphasis should be on the promises made by the Conservative government, and they are many. There have been discussions about them but I will restrain myself and only refer to a few of them. There is the problem of a balanced budget about which the Minister of Finance, who has just taken his seat, has spoken so often. What is the situation in that regard? We have had deficits ever since this government has been in office. In the last ten years of what they call poor Liberal administration there were not only balanced budgets but surpluses amounting to $2.4 billion. What have we had in the short time that this government has been in office? We have had deficits totalling $2.2 billion. A short period of four years was sufficient to wipe out the surplusses provided this country by a Liberal administration.

There was a promise to lower taxes by about $130 per person. When we review the figures we see that taxes have increased. That is a matter of accounting which should be explained to the house and to the Canadian people. We should be told why this has happened because that was not the promise.

The Canadian people were also told that the government would stop foolish spending and reduce the cost of government. What do we find now? I should like to refer the house to the figures which hon. members may find in the estimates for 1961-62 and I would ask hon. members to compare them with the total expenditures in 1957, the last year of Liberal administration. We find that in 1957 the estimates totalled $4.8 billion under a Liberal administration. We also find that these people who were going to cut the cost of operating the government are now spending $6.4 billion, an increase of nearly 25 per cent. Is that not a matter of accounting? Should the Canadian people not know why this has occurred. Should these same people who promised a decrease in expenditures not be asked to explain why there has been an increase of this order? Under the Liberal government the Canadian people were accustomed to travelling in a medium-priced car but under the present government they must now afford a Cadillac. I think it is time that we should ask the Canadian people if they wish to travel in a Cadillac under this government or go back to the medium priced car and the costs to which they were accustomed in previous years.

An hon. Member: Go back to the Liberals who drove a model T.

Mr. Godin: Maybe the hon. member would be interested in these figures. Not only have the administrative costs of the government gone up but capital expenditures, which could be beneficial for Canada, have gone down. There has been an increase in expenditures on the administrative side while expenditures on the capital side have gone down. I should like to refer hon. members to a publication, "Private and Public Investment in Canada", which contains figures for investment of all types, including capital investment by the government. Here are the figures:

	Millions of dollars
1957	1,151
1953	1,209
1959	1,092
1960	995
1961	996

Capital expenditures have decreased, expenditures that would provide something permanent for Canada. The expenditures that create jobs have gone down. In the type of inquiry that we could possibly pursue in a budget debate we would find out how costly it has been to "follow John", as it has been put. I have a number of other figures here which I should like to place before the house. Since the Conservative administration has been in power we have had deficits in the following amounts:

1958	.....	$ 38,500,000
1959	.....	609,500,000
1960	.....	413,000,000
1961	.....	300,000,000
1962	(estimated)	700,000,000

There is the depletion of the unemployment insurance fund from 1957 to 1961, in which last named year the figure is $900 million, and also the depletion of the special defence fund from 1957 to 1961 amounting to $165 million. This makes a grand total of $3,126 million.

In the speech from the throne it is indicated that the government desires to require financial returns and reports from foreign corporations and unions. I have no quarrel with this, but surely it should apply the same principle to itself and bring forward as soon as possible a proper report and accounting with respect to all these matters I have mentioned.

The government has had in four years possibly 1,500 days to talk about itself and to administer the affairs of the country, but an election would give our citizens one day in which to exercise their choice, and I believe after a proper accounting that that one day should be given to the Canadian people to allow them to make their decision.

(Translation):

Mr. Speaker, I am sure that in the course of this session we will have the opportunity of discussing numerous problems, especially those which are related to the amendment of the Canadian constitution, as it is indeed mentioned in the speech from the throne. From the remarks which were made this afternoon, I understand we will have an opportunity to discuss that subject but, for the time being, I should merely like to say that the amendment of our constitution certainly entails problems which will have to be solved before a complete and satisfactory solution is found.

I should like to call the attention of hon. members to an article which was published in the magazine *Relations* under the signature of Rev. Father Ares, a Jesuit. Father Ares seems to have read the suggestions made in that connection for he thoroughly covers the subject.

I should also like to call the attention of the house to the speech which was made yesterday by my colleague from Hull (Mr. Caron), who spoke authoritatively on one of the most important problems in Canada.

(Text):

Before I conclude I wish to say that the speech from the throne was weak and that it was, in parts, a rehash of former speeches received under the present administration. In that connection I quote an article from the *Globe and Mail* of January 20, in the following terms:

A curious feature of the speech is that the sections announcing these goodies, and particularly those relating to farmers and fishermen, are copied almost word for word from the speech from the throne which opened the 1957-58 session.

This afternoon I am pleased to support the amendment to the address in reply, proposed by the hon. Leader of the Opposition. If the government is satisfied that its record is what the Prime Minister and other ministers of the crown state it to be, why could we not immediately proceed to a budget debate, have a proper accounting of the affairs of the country, and then grant the reasonable request of Canadian people by giving them the only thing they wish, an election date?

Mr. John Smith (Lincoln): I welcome this opportunity to take part in the debate on the address in reply to the speech from the throne and at the outset would like to congratulate you, Mr. Deputy Speaker, on being elected to the post you hold where you will assist us in our deliberations during the session now opened.

I would also like to extend my congratulations to the deputy chairman of committees (Mr. Chown), and I believe I would be remiss if I did not pay a tribute to the former deputy chairman, the hon. member for Spadina (Mr. Rea) who is unable to be with us at this time due to ill health. I am sure I speak for all members of the house in wishing him well and hoping he will be back with us in the very near future.

Some hon. Members: Hear, hear.

Mr. Smith (Lincoln): I should also like to thank the whips on both sides of the house for the assistance they have given us in the past in our parliamentary duties, and I extend my hearty congratulations to the mover and seconder of the speech from the throne for a job very well done.

It is not my intention to deal with the major problems facing the country at present. I am prepared to leave those matters to our cabinet ministers, to deal with matters such as our national defence policy, the common market and other problems of that kind, although I have my own definite opinions on them. Instead I shall deal with some of the common problems that affect the common people of the country with whom I have been very closely associated during the last 25 or 30 years.

I am pleased to note that the throne speech foreshadows much new legislation to improve our economy, further, expand our trade abroad, provide more jobs and opportunities for our young people, and assure a greater measure of social security for our senior citizens. Any program proposed to give greater stabilization to Canada's economy must contain strong measures to ensure the stability

and growth of our farming industry, and I am pleased to note there are proposals in the speech to assist the western farmers in the drought stricken areas by means of acreage payments.

During this time of farm product surpluses in many parts of the world I am pleased to note it is the intention of our government to continue, in an orderly manner, the principle of price stabilization and other measures designed to provide the farmer with a fair share of the national income.

The proposed immediate increase in old age pensions, old age assistance pensions, disability pensions and blind pensions, to be followed by the introduction of a contributory retirement pension for all, will be most welcome news to all Canadians.

The proposal to grant war service allowance to merchant seamen, overseas firemen, Red Cross and other civilian personnel who saw service in a theatre of war, will fulfil a request that was made to the former government on many occasions, but upon which they did not act. Time will not permit me to deal with all the proposals contained in the speech from the throne. However, the more one examines its text the more one is convinced that when the proposals contained in it are put into effect in legislation they will provide another great stimulus to our national economy.

I should like to deal with two segments of our economy that affect the Niagara peninsula in general and more particularly Lincoln county, the riding I have the honour to represent. I refer to our secondary or light industry and our fruit and vegetable growing industry.

I begin my remarks in this connection by congratulating the Minister of Finance (Mr. Fleming) and the members of the cabinet for negotiating last year with Japan voluntary quotas on certain lines of goods being imported from that country in such large quantities that our Canadian industries making goods of the same class or kind were being destroyed.

I regret, however, to note from a press report in the *Globe and Mail* of January 23 that shipments to Canada of rubber soled canvas shoes and boots exceeded by more than 66 per cent in the first nine months of 1961 the amount that Japan had voluntarily agreed to ship to Canada. If this is a correct report on the manner in which this negotiated agreement is being honoured by Japanese exporters, I think our government should bring the matter to the attention of the Japanese government in very strong terms.

I might say at this point that I do not blame the government of Japan or the people of Japan in matters of this kind. I blame the importers of Japanese goods, who seem to be most anxious to bring those products into Canada because their margin of profit is much larger than it is on Canadian manufactured goods.

I should like to bring to the attention of this house, and the Minister of Finance in particular, how voluntary quotas on Japanese electronic receiving tubes coming into Canada has helped to provide more jobs for Canadians. I will cite two plants as examples, one in Toronto and one in my own riding.

I paid a visit to the Toronto plant about six months ago, before the quotas went into effect. I found the plant in a depressed condition, with rows of idle machines, employment at a very low level, production at about 20 per cent of the normal capacity of the plant, and the company sustaining a heavy monthly deficit.

I paid a visit to the same plant just prior to Christmas and found a changed condition since quotas had become effective. Employment had increased by over 60 per cent, production had increased by over 60 per cent, and the company was spending $400,000 on plant expansion, research and development to produce new lines of electronic goods not now made in Canada.

I also visited the smaller plant in my own riding owned by an entirely different company and found the same type of progress since quotas were put into effect. The number of employees has risen from 52 to 130. A class of learners is being trained and will be put on the production line as soon as they become skilled in this intricate work.

This on the spot check that I made on conditions in these two plants before and after quotas were put into effect makes it quite certain in my mind that if quotas on electronic tubes had not been negotiated with Japan last year, at least one or perhaps both of these plants would be closed today.

I recommend to the Minister of Finance that he continue his negotiations with low wage countries for the establishment of quotas as a means of protecting the jobs of Canadians against the competition of those countries whose wage rates are a fraction of ours and whose production costs in general are very much lower than ours.

This has also come to my attention, Mr. Speaker. In some cases I believe Canadian manufacturers have reason to complain about the present method of levying federal sales tax and excise tax. I shall cite two cases, one being the manufacture of axes and the other electronic receiving tubes. If a 2½ pound axe, which is commonly used in Canada, is made in this country it bears a sales and excise tax of 16 cents. The same

type of axe made in Sweden bears a sales tax and an excise tax of 11 cents. That is a difference of 5 cents, which is very important in these very competitive lines of manufacture.

I also find that a Canadian made electronic receiving tube with a manufacturer's selling price of approximately $1 bears an excise and sales tax of 26 cents, whereas exactly the same type of tube made under United States patent rights in Japan and imported into Canada bears an excise and sales tax of 14.5 cents, a difference of 11.5 cents.

It can readily be seen that this method of assessing for tax purposes places the Canadian manufacturer at a great disadvantage and might very well offset whatever tariff protection there may be on the imported article.

I have found that in some cases goods brought into Canada from low wage countries at a much lower distributor cost price and with a much lower sales and excise tax are sold to Canadian consumers for the same price as goods of the same class or kind made in Canada by Canadian workers.

I have discussed this matter with customs officials and have been advised that in both these cases sales and excise taxes are levied on the following basis: for Canadian manufactured goods, at the manufacturer's selling price to the distributor, and for imported goods, at the value for duty or import broker's purchase price.

I feel this is a matter which should receive some attention and it should not have to be delayed two years waiting for a decision from the tariff board, which apparently is the procedure at the present time. In 1961 some adjustments were made in the levying of excise sales tax on imported electronic tubes, but the tax is still less than that collected on goods of the same class or kind made by Canadian workers in Canadian plants.

I understand some other goods are assessed in a different manner and that tobacco by the pound, either imported or home grown, carries the same level of sales tax and excise tax; so do cigarettes by the pack and playing cards by the pack, besides a number of other articles.

I should like to cite another example of unfairness to a Canadian industry in my riding. This case concerns the manufacture of high test firebrick of a class or kind used in all of Canada's steel plants and refineries. Little or no raw material of the kind required to make this brick is produced in Canada, yet this company is required to pay a duty of 15 per cent on raw material coming into Canada and to compete with brick of the same class or kind entering Canada duty free from countries in Europe which are not too friendly to our Canadian way of life. I think this is a matter which deserves urgent attention.

I regret that Bill No. C-72 to amend the Customs Tariff was defeated in the Senate last year. Had that bill been in effect at the present time I am sure many unfairnesses to our Canadian industries and our Canadian workers could be corrected without the necessity of waiting for long periods of time for decisions by the tariff board.

I should like to speak for a little while about fruit and vegetable growing which is an important industry in my riding and in other parts of the Niagara peninsula. There are approximately 5,000 registered growers in the peninsula. Twenty four plants are engaged in the processing of fruit and vegetables and there are 12 plants which manufacture wines, juices, jams and jellies. Legislation passed by this government during the last three years has given the growers all the protection they have asked for to safeguard them from the dumping of surplus United States crops during the Canadian crop harvesting season. I refer to price stabilization, the assessment of fair value for duty and seasonal tariffs, all of which have done a good job in this regard.

However, the growers have other problems. The surplus pack of canned goods from the United States is always a threat and it has a depressing effect on Canadian market prices for canned goods. The change in the distribution of fruit and vegetables has created marketing problems which have not yet been solved. Small grocery stores and home canning have given way to distribution through the big chain food stores.

The building of new schools, hospitals, roads and the other local improvements which follow housing and industrial development has led to taxes on the farms being increased to a point at which farming is becoming less attractive. I am told that 80 per cent of all the fruit and vegetable processing plants in Ontario is now owned and controlled by United States corporations. The Canadian Horticultural Council is the body which makes representations to the Department of Agriculture on behalf of the fruit and vegetable growers. I hope the council is giving these changing conditions in the fruit growing industry its full consideration.

I have made recommendations to grower organizations and marketing boards suggesting that more facilities are required in the Niagara peninsula for processing and cold storage, particularly for small cold storage units on the farms and increased cold storage

facilities at the shipping and processing plants. I have also recommended to the processing plants that they should seek some kind of government guaranteed bank loans on canned goods in bond during the canning season when millions of dollars are required in a very short space of time to pay the farmers for the crop and the cost of operating the plant. This, I think, might help to keep some of the smaller independent Canadian processors in business. I have further suggested to the processors and growers that they should seek quotas on imports of canned goods rather than ask for higher tariff protection which besides being difficult to obtain is often not too effective.

I am pleased to be able to say that business in my riding has greatly improved even though we still have problems. There are one thousand fewer unemployed people in the St. Catharines area than there were this time last year. The new subsidy on shipbuilding put into effect by this government last year has greatly helped our two shipbuilding yards, and our automobile parts industries, I am told, are employing more people now than in any previous year.

Water pollution in our rivers and in the great lakes has become a very serious matter especially in the lake Ontario and lake Erie areas. It is my conviction that the regulations passed last year by this government to assist municipalities in the construction of sewage disposal plants and trunk sewers should be extended beyond 1963 in order to encourage municipalities to proceed with major projects which could not be completed by 1963 in time to get the full benefit of the rebate on their loans.

Now I should like to deal briefly with the question of air transportation. During the past years we have seen many changes in rail transportation. Branch lines are being disbanded and passenger services curtailed as a result of which the Niagara peninsula, like other parts of Canada, is required to depend more and more on air transport.

In common with other areas, the Niagara peninsula has great need of improved air transportation for both passenger and package freight. I think the Department of Transport might well review the present regulations for the financing and construction of new runways and the other facilities required for the landing of the types of aircraft now used by industries and feeder air line companies.

I am sure if the Department of Transport undertook the building of necessary facilities, such as longer runways, at regional airports, the congestion at the larger air passenger terminals could be greatly relieved. Industries in the Niagara peninsula that have even medium sized planes have to keep them at Niagara Falls, New York, or Malton airport, Toronto. I do feel that air transportation has an important part to play in the development of our future economy, and the matter of proper facilities required at regional airports in our industrial areas is becoming more important each year.

I should like to again bring to the attention of the Prime Minister the historical importance of the old town of Niagara, the seat of the first government of Upper Canada. I believe that among the many acts of parliament that were passed there in those colonial days was an act to abolish slavery in Upper Canada. I trust that this part of Canada will not be overlooked when plans are being made for Canada's centennial. I should like to thank you, Mr. Speaker, for the opportunity of speaking at this time, and I hope that I have not overrun my time.

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, I have a few observations which I should like to make on the speech from the throne. Before I begin, I should like to associate myself with the congratulations that have been tendered to the mover (Mr. Bourdages) and seconder (Mr. Browne, Vancouver-Kingsway), of the address in reply, and also with the felicitations and good wishes which have been extended to the Deputy Speaker, to our new Minister of Mines and Technical Surveys (Mr. Flynn) on their appointments and to the parliamentary secretaries on the occasion of their reappointment.

The more I study the speeches from the throne brought down by this government the more they remind me of those fancy Christmas stockings that we admire at Christmas time. They bulge and are attractive and, in some cases, we can get a glimpse of what is inside. There is one difference, of course, because when you get one of those fancy stockings you know you really have whatever is inside of it. This is not always true of speeches from the throne. We know from experience that sometimes the contents have a very unhappy knack of disappearing, sometimes for good, sometimes for several sessions and then sometimes to reappear in quite a different form as did the changes in the Immigration Act which were announced a few days ago by the minister in the form of new regulations.

Well, now we have a new stocking in front of us, stuffed with what appears to be all kinds of good things designed, no doubt, to impress the Canadian people with the wisdom and generosity of this government. I think we can take it for granted that when this

particular stocking was being stuffed the possibility of an election this year was not overlooked. Yesterday or the day before the Prime Minister plucked out a few of those things and held them up so we could get a better view of them. I refer to things like the old age pensions and the pensions for the blind. I am sure we all found them very attractive. It will be a very happy day for Canada when someone can devise a plan which will remove old age pensions completely from party politics.

Unfortunately, Mr. Speaker, the speech from the throne had nothing in it to emphasize to the Canadian people that these good things, desirable as they are, must nevertheless be paid for. We, as parliamentarians, are supposed to give leadership to the people. We certainly ought not to lead them into thinking they can get something for nothing. It is quite understandable that the people of Canada do not realize that all these good things have to be paid for because, since this government took office, we have not been doing that. We have not been paying for them out of our own production. Instead, we have been borrowing and paying for them out of the production of others. During the past five years that this government has been in office the apparent generosity of this government has added $2,000 million to our public debt. This seems very strange to me coming as it does from a party and a government that was elected on a specific promise to reduce expenditures.

We can all remember, in 1957, how hon. gentlemen opposite went back and forth across the country decrying the waste and inefficiency of the Liberal party and saying that when they took office they were going to cut down expenditures by $500 million. Indeed, when the expenditures were presented for the year 1956-57 I can remember how the present Prime Minister (Mr. Diefenbaker) and the present Minister of Finance (Mr. Fleming), who were then sitting in opposition, attacked the Liberal party and castigated the Liberal government because they had allowed expenditures to reach the high level of $4,433 million. Now, four years later, in 1961-62, we have this same group proposing estimated expenditures of $6,415 million and that, Mr. Speaker, is only an estimate. The actual expenditures might very well prove to be much higher. Instead of a reduction of $500 million as was promised, we have an increase of nearly $2,000 million, up 42 per cent. This certainly is one promise the Prime Minister has not kept and, so far as I can see, he is not going to be able to keep it.

The throne speech presents a very glowing account of our economic recovery, and that account has been expanded by speakers from the government benches who have told us that our exports are up, more people are employed than ever before and everything is just wonderful. Well, of course a large part of these exports are accounted for by sales of wheat to China. I realize this is a very difficult question and I have every sympathy with the government that has to make a decision in matters of this kind. The interests and welfare of the farmers and our trading position as a nation are both vitally affected. These are things that cannot be ignored.

But there are other considerations, too, which ought not to be overlooked. In the first place, this raises the question of the motives and values by which our actions are governed. We cannot salve our consciences by saying we are selling this wheat to feed hungry people. There are millions of hungry people in the world waiting to be fed. We are not selling food to them because they are not offering us dollars in return.

Experts who are acquainted with this matter raise a question as to whether the wheat being sold to China is actually reaching the hungry people who need it. There is a great deal of evidence that this wheat is being used as a political weapon, an instrument of coercion, by an unscrupulous government in order to force people to go along with what they want at a time when that particular government is becoming discredited and unpopular. In other words they say, "Go along with us or you do not eat".

In a time of war, trading with the enemy is an act of treason. At the present time, in this twilight zone between peace and war, we are nevertheless engaged in a cold war no less deadly and no less dangerous. The government of China is our implacable foe dedicated to our destruction just as fanatically as is Khrushchev and the Soviet union. We must exercise the greatest care because if, by our sales of wheat, we are bolstering and strengthening an unfriendly or enemy government, it might very well turn out that along with our wheat we might also be selling our freedom.

As the Minister of Finance pointed out earlier today when he was talking about what are the real interests of Canada, surely our paramount interest is to preserve our freedom. That is a matter that must be taken into account in all our relationships with enemy countries.

Someone has made a great deal of the argument that more people are working today than ever before. I really do not see why they do not say that more people are working today than 50 years ago, as it would prove exactly the same thing. There are

more people working today than there were 50 years ago simply because there are more people. That is the only reason that there are more people working today than there were a year ago. The undeniable, irrefutable fact is that, despite this improvement in our economy, our economic growth has lagged and is still lagging far behind our increase in population; and this at a time when our rate of population growth has declined.

If we take the population figure presented by the bureau of statistics for June 1, 1953, 1957, and 1961 we find this situation. In 1953, the population was 14.865 million; in 1957 it was 16.589 million and in 1961 it was 18.168 million. The increase in the four years, the period from 1953 to 1957, is 1.744 million. The increase in the four years from 1957 to 1961 is only 1.579 million. Under normal circumstances the increase from 1957 to 1961 should be considerably greater than that from 1953 to 1957 but in actual fact it is 200,000 less. What a great unemployment problem we would be faced with today if that rate of growth from 1953 to 1957 had been maintained during the period this government has been in office.

Sensible people know that we cannot continue indefinitely going further and further into debt. There is a limit to our borrowing capacity as a nation and there is a limit to the debt burden we can carry as a people. If our economy is to support our present expenditures along with the additional expenditures envisaged in this speech from the throne, our rate of growth must increase considerably over what it is at the present time.

As a Newfoundlander I am naturally most interested in those particular things which the stocking holds for my own province. I wish to thank the government for the reference to the proposed pensions for members of the merchant navy, the forestry units, the firefighters and other groups of this kind who served during the last war. I appreciate the increases in veterans disability pensions and veterans allowances which have already been granted and I welcome this further recognition of the services of those groups which I have just mentioned. I must, however, express some disappointment that the method decided upon in granting these awards is to amend the civilian pensions act rather than the veterans charter. From my own experience I believe that the veterans allowance payments would be far more suitable having regard to the needs of the members of these groups. This decision to amend the civilian pensions act is tantamount to denying these people any status as veterans. A person does not become a veteran just because he puts on a uniform. I refer back to the gallant exploits of the *Jervis Bay*. They were unequalled in the history of our naval tradition or in any of our military traditions. Yet these people, if they are entitled to a pension, cannot be recognized as veterans but must get it as civilians. A member of a service can only give his life in the service of his country. That is the supreme sacrifice. When he has done that, he has given everything. I wish to point out to the house the fact that in my own particular riding more members of the merchant navy made the supreme sacrifice in the service of their country than of any other branch of the armed services.

I also welcome the reference to the provision of an east coast ferry service between the mainland and the east coast of Newfoundland. The speech from the throne tells us that the eastern terminal is to be Argentia. Since this is a United States military base I would ask the government to explore the possibility of acquiring access to this terminal without the necessity of having to get permits from the military authorities.

I also welcome the reference to the extension of the period of application of the Farm Improvement Loans Act and of the Fisheries Improvement Loans Act. No doubt the Farm Improvement Loans Act has been of some use to farmers, but from my experience the Fisheries Improvement Loans Act has been of doubtful value to the fishermen of my province for the very simple reason that the banks have shown themselves to be extremely reluctant to make loans to fishermen.

If the fishermen are to be assisted in the same way that farmers are assisted, some other means must be devised outside of the banking system, and I would recommend that the government consider setting up a fishermen's small loans board to deal with this problem. Fishermen's insurance should also be extended to include nets, gear and other items of equipment which are not now covered and in addition a disaster fund should be set up to protect fishermen against those circumstances and exigencies which sometimes suddenly occur and confront our fishermen as groups and as individuals with disastrous consequences.

We do not think it is too much to ask that our fishermen be accorded the same treatment as is being given to the farmers of our country. It was a great disappointment to all of us that this principle was not followed by the government in assisting our fishermen who are suffering from the catch failure in my province. Hon. members will have learned from press and radio reports that the past year has been a very trying one for our province. Disastrous fires destroyed millions of acres

of valuable timber and brought woods employment to a standstill. On top of that some 12,000 or more of our fishermen suffered a catch failure. In a year of normal catch an inshore fisherman earns on the average a net income of about $650. Out of that he and his family have to try to subsist for the winter and then secure sufficient supplies to enable him to resume his occupation when the season opens in the spring. Under these circumstances it is easy to understand that a reduction in the catch of 20 per cent or even 10 per cent is attended by extreme hardship but when there is a catch failure which ranges from a complete, total blank up to 25 per cent of the normal catch then the circumstances in which our fishermen find themselves are indescribable.

When the farmers suffer a crop failure we come to their assistance by making acreage payments. We are not against that. We have always supported measures providing for acreage payments. We did so last year and the Prime Minister announced that we are going to do so again very soon. But contrast this with the treatment which has been given to our distressed fishermen. When the government finally made up its mind to assist our fishermen at all, this was the scheme that they proposed. First, they agreed to match dollar for dollar provincial road allocations to be spent after October 15 and, in addition, they agreed to grant up to $300,000 on two conditions. The first condition was that the money had to be spent on a winter works program, which it was pointed out was not practicable in the situation in which most of our fishermen found themselves. The second condition was that the provincial government would contribute 25 per cent of the labour costs involved.

Our premier has estimated that this assistance works out to about $20 per fisherman, not for one month but between seasons. On the northeast coast where the catch failure was the worst that means from November to April or perhaps May. It amounts to $20 for 150 days or 13 cents a day per family or roughly 3 cents per head, and that with strings attached. Our premier has termed this treatment shabby. Compared with the treatment that is accorded to other Canadians in similar circumstances, I think he could have said that it is not only shabby but shameful.

There are other matters upon which I had hoped to have time to enlarge. I particularly wanted to say a word about the Atlantic provinces, my interest in whom is second only to my interest in my own province. We all remember the Atlantic resolutions that were framed and advertised so well just prior to the 1957 election. The three most important of these resolutions have still not been implemented, namely, the national development program for the development of the resources of the Atlantic provinces, industrial decentralization and the capital projects program. These are still outstanding and time is running out.

In the meantime the age old disparities between the Atlantic provinces and the rest of Canada still remain. Unemployment is 75 per cent higher than the rest of Canada while income is 40 per cent lower. The unemployment figures released by the government on January 16 emphasized this disparity. In Ontario 4.7 per cent of the work force were unemployed, in the prairie region 5.4 per cent and in the Atlantic region 10.8 per cent.

We shall never cure the economic illnesses or solve the problems of the Atlantic provinces by the piecemeal methods which have been employed up to this time. What we must have is a complete survey of the financial and geographical disabilities under which we suffer. Then we must have measures enacted in this house that will offset these disabilities and put the Atlantic provinces on the same footing as the rest of Canada. We can begin by making a complete survey of the fishing industry and proceed from one industry to another.

I see that my time is almost up so I will conclude by saying that in spite of all the glitter and the fancy wrappings the speech from the throne is not an inspiring document. It ignores completely the main problems with which the country is faced, problems of defence, problems involved in connection with the common market, and others of that nature. It makes no mention of the dangers Canada must face as a member of the free world. It calls forth no challenge. It gives no indication of the firm and wise leadership so sorely needed in these troubled times. Therefore, I have much pleasure in supporting the amendment moved by the Leader of the Opposition.

Mr. Crouse: Would the hon. gentleman permit a question?

Mr. Carter: Certainly.

Mr. Crouse: In addition to the other benefits that will accrue to the people of Newfoundland from the new ferry service that will be implemented between North Sydney and Argentia, would he care to comment and give the house his opinion on how much more employment this will provide for the people of Newfoundland?

Mr. Carter: Well, sir, I had hoped to deal with that problem at much greater length in the speech I have just concluded, but I would point out to my hon. friend that we know from experience it will take at least

three years for that ferry service to become a reality. During the last election campaign my opponent went around telling my constituents that the Solicitor General stated that all he had to do was to phone Mr. Hees when he got to Ottawa and in ten minutes he would secure two coastal boats for my riding. The first coastal boat materialized about eight months ago, and the last one this summer. In reply to my hon. friend's question, when it does materialize it will provide an extra day or two employment for the people in that area who are now working only two or three days a week.

Mr. O. W. Weichel (Waterloo North): Mr. Speaker, it is a privilege for me to join with previous speakers in this debate in extending congratulations to the mover and seconder of the address in reply to the speech from the throne. I also wish to congratulate the Deputy Speaker on his appointment to this important position. It is a distinct honour and well deserved. No doubt he, along with our popular Speaker and chairman, will enjoy the confidence and respect of all members in the house.

I would like to deal with matters pertaining to the welfare and progress of my constituents in Waterloo North, and Canadians generally, under the leadership of our esteemed Prime Minister and his government.

It is gratifying to know that Her Majesty the Queen Mother, along with their Highnesses the Duke of Edinburgh and the Princess Royal, will visit Canada sometime this summer. In 1939 the Queen Mother visited Canada, and her itinerary included my riding of Waterloo North. At that time I was among the amputees who were honoured in being presented to her, and I hope that their visit this year may be a most pleasant one. The visit of the Queen Mother reminds us of the continued growth of the commonwealth, which is playing a great part in the world in maintaining freedom and peace. The strengthening of the commonwealth is a primary objective of our government.

Several items, particularly those relating to old age pensions, aid for our Canadian industries and university assistance, were particularly commendable in the speech from the throne. As member of parliament in a riding which is strongly industrial I was happy to see four proposals which should assist in no small way toward helping industries to develop, and employment to increase. Aid to scientific research by industry and a national electric grid should be of tremendous assistance over the coming years. Critics might say these two moves will not bring aid to industries and cut employment fast enough. I do not think they are really designed to do that. Instead, I am sure they are intelligent steps which, although they will not pay dividends for some time, will help to promote a steady industrial growth for all regions of Canada during coming decades.

The third item, broadening of the Small Business Loans Act, will give a further shot in the arm to our secondary industries at a time when our country is striving to move ahead in this phase of business activity.

Critics may again say that the measures outlined in the speech from the throne are not bold enough. However I say that the variety of moves, whether they are small or large, is an indication that our government has the welfare of many groups, individuals, and yes, of all Canadians at heart.

During the last four years many changes have been made in Waterloo North in regard to industry. The main street in the city of Waterloo with its new civic square, approval of new post offices in the twin cities of Kitchener and Waterloo, and of university buildings and other structures too numerous to mention, are some of the improvements that have taken place or are contemplated.

We will be asked to increase federal grants to universities and make suitable provision in those cases where alternative arrangements are made for supplementary provincial grants in lieu of federal grants. These increases will be welcomed by all universities across Canada, including universities in my riding of Waterloo North, the University of Waterloo, the Waterloo Lutheran University, and the University of St. Jerome's College, all of whose progress has been phenomenal. These institutions in the past have received financial aid from our government.

One of the most interesting developments during the last year in the North Waterloo riding has been the continued rapid development of the University of Waterloo. This institution was incorporated only five years ago. Since that time student enrolment has grown to over 1,200, with a faculty of 111 providing instruction in arts, science, engineering and graduate studies. The university is located on a 240-acre campus and now has three large science and engineering buildings in use, the last of which was constructed during the past year. As of this year the financial assets of the university total in excess of $9.5 million.

Construction of an arts building is now under way and is scheduled for completion in the fall of 1962 at a cost of $1,350,000. One of the interesting features of this building is that it includes a 500 seat amphitheatre patterned after the Stratford Shakespearian festival theatre, which suggests the possibility

of a close relationship between the University of Waterloo and Stratford, so essential in our modern world of today.

Also under construction at the present time, and scheduled for completion in 1962, are three teaching and residence buildings for federated and affiliated colleges. The university of St. Jerome's college, federated with the University of Waterloo, is building a residence to accommodate 100 men students. The Sisters of Notre Dame, associated with St. Jerome's college, are building a women's residence for 55 students. Renison college, an Anglican institution, is building a residence for 40 men and 40 women students and the total construction costs of these church colleges is in excess of $2,500,000.

The University of Waterloo has pioneered in the introduction of co-operative education in Canada. Co-operative education embodies a program in which the student alternates periods of on-campus study with equal periods spent in gaining practical experience in an industry, business firm, or service agency related to the student's university course.

The Waterloo Lutheran University, like others, has made tremendous strides during the last few years. This university, which celebrated its fiftieth anniversary last year, can look back over the past five decades with pride. Affiliated with the University of Western Ontario from 1925 to 1960, it is now an independent degree-granting university, and there has been tremendous growth on the campus since it became an independent degree-granting institution in 1959. I was pleased to be one of the speakers in December at the dedication of the new women's residence and the laying of the cornerstone for two more new buildings, the university theatre auditorium and the students' union. Also included in this expansion program are a men's residence and a dining hall, the former due to be constructed this year, as the final stage of a $1,500,000 expansion program. Enrolment has reached a total figure of 1,220 for the academic year 1961-62, which is an increase of 50 per cent over 1960-61.

The two distinct units controlled by this university are Waterloo University College and Waterloo Lutheran Seminary. The seminary is a sister institution to Waterloo University College. Its purpose is to educate young men for the ministry. Its graduates serve in seven provinces, the United States, India and South America. The federal Department of Labour recently approved additions to Eastwood collegiate in Kitchener, Waterloo collegiate in Waterloo, and the Elmira district high school for vocational and technical training. My riding of Waterloo North, with its many public schools, separate schools, collegiates, colleges and universities will present many fine educational opportunities to our youth.

Over the past four years our government has amended the Pension Act on many occasions. These amendments include increases to disabled veterans and their dependants, war veterans allowance, Veterans' Land Act improvements, and other important changes.

It is gratifying to know that we will be asked to approve an amendment to the Civilian War Pensions and Allowances Act to authorize the payment of allowances under specified conditions to merchant seamen, firefighters, foresters, members of the voluntary aid detachments and certain other civilians whose war service overseas has been recognized in other respects. Other amending bills will bring about increased allowances and other improvements under the Children of War Dead (Education Assistance) Act, and an extension of the qualifying period under the War Service Grants Act, Veterans Insurance Act and Veterans' Land Act. I am sure that every veteran in Canada and the citizens of this country will appreciate the approval of such amendments. As long as one veteran or his dependant is in need of assistance, this government will gladly meet this obligation.

One point that I have raised in the house on several occasions and which has given others and myself much concern is the qualification respecting the continuation of the allowance after death of a pensioner in receipt of a pension of less than 50 per cent. The present legislation provides that in the case of those in receipt of a pension of less than 50 per cent at the time of death and whose death is not established as due to pensionable disabilities, no pension or allowance is payable.

A great many widows have brought this to my attention and to the attention of other hon. members. I hope that the present legislation can be amended at some future date in order that we may improve the financial circumstances of these widows.

It is most satisfying to know that this session the government will propose important measures in the field of social welfare. What could be more important than assisting our senior citizens and looking after those who come under the Old Age Assistance Act, blind people, and those who are disabled? Our government has always been intensely interested in the welfare of these citizens and these improvements in the field of social welfare will be deeply appreciated by all concerned.

Recently our government passed a bill providing $5 million for encouraging our youth

in fitness and amateur sport. Representatives have now been chosen to sit on this council and should in the near future be able to carry out their important tasks. I hoped that someone would be selected from western Ontario, because this is one of the hotbeds of interest in fitness and amateur sports in Canada. Canada is fortunate in having so many outstanding sportsmen. Although only a limited number can be selected for the council at this time, I am sure others will be ready to assist this program which is so essential to the welfare of our youth. Incidentally, I might mention that this week is minor league hockey week in Canada and 200,000 boys will participate in this great game.

I should like to say a few words regarding agriculture in Waterloo county and the province of Ontario. Before doing so I should like to congratulate the Minister of Agriculture (Mr. Hamilton), for the success he has achieved in finding markets for grain, which has helped a great deal to reduce surplus stocks. Our government should also be commended for the proposed legislation mentioned in the speech from the throne. This should be of great assistance to the farmers of Canada, especially those in the prairie provinces.

We in Ontario, as well as people in other provinces, were disturbed to hear of the losses sustained by the prairie farmers during the 1961 drought. However, we are being asked to provide assistance by means of acreage payments to those who have been affected. As one who represents an Ontario riding, Waterloo North, I should like to say that this province ranks first among Canadian provinces in agricultural production and has for many years had the highest annual farm cash income of any province. It has one of the most diverse farming areas of any single administrative unit in North America.

It may be interesting to know that of the 1.5 million estimated rural population of Ontario, one third live on farms. The size of most farms is between 50 and 100 acres, but there are some 23,000 farms of 200 acres or more. The average size is 140 acres, which is much smaller than the average prairie farm.

Livestock is the foundation of the agricultural economy of Ontario. In my riding dairy farming comes first in agricultural production, followed by hogs and beef feeding. Sheep used to be a familiar sight on many Ontario farms and it is certain that the new inducements our government is offering in the way of transportation of breeding ewes from the west, premiums on good lamb carcasses and price support for wool, are going to make farmers take another look at this line of livestock. There is a great deal of good land for sheep farming in the province of Ontario. I understand that under the transportation assistance program for sheep which was announced recently by the Minister of Agriculture some 6,000 western range ewes were moved into Ontario last fall.

I now wish to say a few words about our younger folk. It is heartening to note that 4-H and junior farmers organizations are strong movements in the province of Ontario. There is no doubt that the cultivation of youth in the cause of our primary industry will bring the most suitable people into agriculture with the awareness of the need for good breeding and management practices already instilled into them.

Members of the 4-H organization contributed the facts and figures for a recent farm safety survey. This was a valuable type of service which we all hope will bring a reduction in the number of injuries and the amount of damage caused by carelessness at work on the farm. I understand that the federal Department of Agriculture contributed something in excess of $100,000 toward 4-H activities last year.

I should like to mention one further point. Ontario's poultry industry is one of the most remarkable developments in agriculture in this country. The production of chicken and turkey meat has multiplied several times in the last decade, and egg production has gone up by more than 1 million cases. Some of these products are beginning to be better known in the markets of Europe. The application of efficient management, breeding and feeding principles—for which federal research takes some credit—are among the reasons for the spectacular success of these industries.

I come from a community which is one of the largest cosmopolitan centres in Canada, and I think that old and new Canadians were deeply impressed when they learned that for the first time a bill of rights had become a reality under the leadership of our Prime Minister.

This bill, which is well known to Canadians, provides for the recognition and protection of human rights and fundamental freedoms. Our Prime Minister has through the years urged that such a bill be enacted. His untiring efforts in bringing about this bill should be an inspiration to all our people. The stand of our Prime Minister against racial discrimination at the commonwealth prime ministers' meeting in London bears living testimony to the principles for which he stands.

Since this bill was enacted I have heard people from all walks of life express their views with these words: "It is great to be a Canadian". Others have asked "What is a Canadian?" To this question may I express my observations in this way? We are citizens

of Canada, either by birth or by adoption and naturalization. We are citizens of the commonwealth. Our skins may be brown, yellow, black or white, but we are Canadians. Our names may be Poloski, Fraser, Wong, Spermanti, Dubois, Schmidt, Weichel or Jones. Our forefathers may have come from Glasgow, Prague, Tokyo; from Dublin, London, Paris, Rotterdam, Berlin, Madrid, or from countries such as Poland, Italy, the Ukraine or Israel. We may be labourer, student, businessman, member of parliament, news reporter, doctor, lawyer or machinist. Whatever we are, whatever our occupation, whatever our background, if we accept Canada as our country and with it the democratic way of life, we are Canadians.

We have the right to speak freely, to worship freely; but with these rights, we must learn our duties—to speak wisely, to worship wisely, to choose our leaders wisely. We inherit two great cultures, the Anglo-Saxon and the French, and more than 30 others as well. We are creating out of these a new and growing Canadian culture. At times we may whine when things go wrong, be unfair in our criticisms, forget to help the other fellow when in need, be unappreciative of some of our blessings. However, we finally realize that it is great to be a Canadian.

As we old and new Canadians travel along life's pathway together may we unite in one great effort for the progress of our country and the peace and welfare of all nations in the world. Perhaps I can close with these words as written by Kipling, words so often expressed during world war I:

> It ain't the individual nor the army as a whole,
> But the everlasting teamwork of every blooming soul.

Mr. Harold E. Winch (Vancouver East): As the calendar year comes to an end I am always interested in reading the statements which are made by political, industrial, financial and trade union leaders on the occasion of the new year messages. I was most interested in the messages which were published just before January 1 of this year and in particular I was impressed by that which was released by Mr. Claude Jodoin, president of the Canadian Labour Congress. Opening his new year message, Mr. Jodoin said that the year 1962 was certain to be a decisive one in Canadian history. He stated:

> We are confronted with major changes and developments both within and without the boundaries of our country. As always, the challenges which confront us are accompanied by great opportunities and responsibilities. This is a time at which we should firmly determine to meet them. The need is for a firm determination to meet these challenging and rapidly changing conditions and to be ready to adopt new approaches which alone can meet the needs of 1962 and the years to follow.

I am sure we would all agree that those challenging words emphasize the responsibilities and the problems which are before all of us as we meet this session early in 1962. There are many problems to be faced. There are many decisions which can only be made by the government of Canada; there are imperative problems which are in need of solution.

Having listened to the contributions which have been made to this debate on the address I feel, being basically a compassionate man, that perhaps many of the Liberals in this house have been a little too harsh on the Prime Minister (Mr. Diefenbaker) in expecting him to have found solutions to these many problems within the period 1957-62. Being, as I have said, a compassionate man by nature, I believe that although they should have been resolved, and must be resolved, we should remember in our criticism the make-up and the temperament of the Prime Minister. It is only fair that we should. Let us not forget that the right hon. gentleman is slow in reaching decisions. That is emphasized by the fact that it took the Prime Minister three weeks, according to stories which appeared on the front pages of our newspapers day after day, to reach a decision as to what to name the dog he was given for Christmas. I am glad he finally chose the name "Happy". It was mentioned to me the other day, and I could not help but agree, that someone ought to come along now and give a dog to the Leader of the Opposition (Mr. Pearson) and name the dog "Slap". If we had a prime minister with a dog named Happy and a leader of the opposition with a dog named Slap we would, indeed, have a slap-happy situation in that respect. I think they are slap-happy in their approach—

An hon. Member: What about your dog?

Mr. Winch: I own neither a dog nor a cat. All I have are principles.

Speaking about slap-happiness I believe the most slap-happy speech I have heard in all my years of politics was the speech delivered in this house last night by the Solicitor General (Mr. Browne). I am glad he is in his place at the present moment. It was extraordinary to hear a minister of the crown—

Mr. Browne (St. John's West): On a point of order, Mr. Speaker. Last night we were debating a subamendment on which a vote was taken. That debate was concluded and I think it is a breach of the rules to refer to a debate which has been concluded.

Mr. Pickersgill: Perhaps the hon. member for Vancouver East (Mr. Winch) would allow me to say a word on that important point of order which has just been raised by the Solicitor General. I think most of us who have had some experience in this house are aware that the debate on the address has always been regarded as a single debate. The only thing we are restricted from doing in this debate is to discuss a decision that has been made by the house. We are not prevented from discussing any extraordinary argument which may have been advanced before that decision was taken.

I refer Your Honour to the fact that what we were dealing with was a subamendment which had some relation to the amendment and it would seem to me extraordinary, in view of the fact that what was said last night had nothing to do with parliament or national affairs, if Your Honour should restrict the comments of one hon. member after permitting another to wander so far afield.

Mr. Winch: I do not think I need to worry about this point of order because I know, Mr. Speaker, that in your justice you recognize the right of members to speak in this debate on any subject whatever. I am also confident you do not intend to impose what would amount to closure in the light of the reference to the abolition of closure in the speech from the throne itself.

Mr. Deputy Speaker: I think it has been the general practice to allow a considerable amount of latitude in the subjects treated in the course of this debate. I think that as long as the hon. member relates his remarks to the amendment he will be in order.

Mr. Winch: That is exactly what I am doing.

I find it extraordinary that the sins of omission and commission of a Liberal premier should be laid at the door of the New Democratic party. We have been charged with many things, but that is a brand new one to me. It certainly demonstrates the depths of political expediency to which the government must be driven in an endeavour to try to bring into disrespect their political opponents and to win votes when the election is called.

In particular, Mr. Speaker, certain statements have been made which I think we are entitled to answer. It was very noticeable that when the Solicitor General made his so-called contribution to the debate last night he not only had something to say about the province of Newfoundland but also about the province of Saskatchewan. You will remember, Mr. Speaker, that mention was made of two crown corporations established under a C.C.F. government which are no longer in existence. Admittedly, they are not. No mention was made, however, as to why they were established or the reasons that led to their cancellation. The important thing is, if any government is to be condemned because two of its ventures failed, then should not my hon. friend on the other side of the house apply that principle to his party's beloved system of free enterprise? During the first nine months of 1961, 2,006 bankruptcies occurred in Canada under that system, with total liabilities of $4,100,000.

Mr. Pickersgill: Tory government.

Mr. Winch: If my hon. friend thinks it is right that the people should know that under a C.C.F. government in Saskatchewan two crown corporations went under, then does he not also think that they should know about the other crown corporations which did not go under? May I just very briefly refer to the auditor's report of the Saskatchewan crown corporations for 1959 and 1960, wherein I find this, and I quote:

> In spite of the reduced level of economic activity in Saskatchewan during 1959-60, the net revenue received from crown corporation surpluses, excluding the Saskatchewan Power Corporation and Saskatchewan Government Telephones, totalled $1,290,917 . . . a return of 16.64 per cent; . . . in the years 1947-60, with an average capital investment of $8,704,165, these corporations . . . have earned a total of $11,853,774 after losses have been deducted.

Mr. Jones: Not the losses of the other crown corporations.

Mr. Winch: That is after all losses were deducted.

Mr. Jones: Not the losses of the ones that were discontinued.

Mr. Winch: I continue:

> In addition during this period they have made significant contributions to the Saskatchewan economy by way of $702,766 in municipal taxes, $7,873,450 in royalties and $45,900,599 in wages and salaries.

Yes, I can understand my hon. friend, the Solicitor General. He has only one objection to the success of crown corporations and that is that their profits are going to the people of Saskatchewan and not to a minority group of profiteers.

Mr. McIntosh: I wonder if my hon. friend would permit a question?

Mr. Winch: I have already lost some time through a stupid point of order. Nevertheless, you can ask me anything that you like afterwards.

Mr. McIntosh: I know why you do not want to answer that.

Mr. Winch: There seems to be a deliberate and conscious attempt, for some reason or

other, to create a belief in the public's mind that the Prime Minister really meant what he said some time ago, that the next campaign will be fought on the issue of free enterprise versus socialism. We accept that challenge. But in order to accomplish that then, somehow or other, they have to drive the Liberals and the New Democratic party into the same camp. We have seen an indication of this in the various speeches during this session.

I admit right off the bat that there are, without doubt, similarities between the New Democratic party, the Liberals and the Conservatives. This is only natural. It is understandable. It has to be so. Because the Conservatives and Liberals are in such a race to steal our program that similarities are bound to occur. However, there are major, important and fundamental differences. One of these differences was mentioned only this afternoon by the hon. member for Burin-Burgeo (Mr. Carter). I think I heard him correctly when he said something to the effect that we were giving away our freedom in the selling of wheat to China. I am certain that is the way it was said.

Mr. Carter: No, those are not the exact words I used.

Mr. Winch: Here is the quote: When we sell our wheat, we sell our freedom.

Mr. Carter: On a point of order, may I say those are not the exact words I used. I was not speaking from a text, but what I did say was that we should take care lest when we sell wheat to China we might be selling our freedom.

Mr. Winch: It will be very interesting to read *Hansard* tomorrow. However, the principle is the same. May I say that so far as the New Democratic party is concerned, if Canada has its surpluses, whether or not we like the governments in the countries concerned, we should assist the hungry of the world by disposing of those surpluses. This is the moral responsibility of this country. Moreover, sir, if the principle is correct that when we sell to China we have to watch out that we are not selling our freedom, then I presume the principle applies across the world and Canada will have to consider that in our sales to all countries, some of which are behind the iron curtain, we are in danger of losing our freedom. I just wonder what would be the situation if that principle were to be applied so far as the trade of Canada is concerned.

However, I said there was a fundamental difference between the New Democratic party and the others. In view of the fact speakers before me on the other side of the house have insisted on bringing up this matter, I think the fundamental difference should be made clear in this forum. Very briefly, in order that I shall not be misunderstood, may I say that it is our contention that every man and woman must learn that his welfare is to be found in the welfare of the whole community. This can only be learned through sharing social responsibility, and methods which do not vitalize and broaden social action shape results that are undemocratic. I have no hesitation in saying that the objective of the New Democratic party, the objective of those of us who sit here, cannot be handed to the people; that is why we do not make promises. Our objectives will arrive and endure when the people find an opportunity to accept and appreciate social responsibility.

We realize in this corner that we are in a social revolution today. We are not concerned about any revolution that may come tomorrow or one which is around the corner. Our concept of society, Mr. Speaker, our concept of Canada, is that natural forces compel change, growth and progress. We desire to remove, through democratic action, the existing restraints upon natural social change. I can say that basically and fundamentally the motivation behind this group speaking in the House of Commons is to use the instrument of political democracy, the parliament of Canada, in order to build an economic democracy which will provide not only greater economic efficiency but the greatest happiness to the greatest number.

We realize that Liberals, Conservatives and Socreds do not like the thought of revolutionary change. They do not like anything which will endanger the maintenance of their beloved system of free enterprise, business as usual and the devil take the hindmost. However, whether the Liberals and Conservatives like it or not, they are facing change. Progress and real democracy demand that we replace monopolistic enterprise by democratic socialism. We believe that this is something that could and should be done by common sense, conscious, deliberate methods and not through being the victim of blind processes, as unfortunately is the case far too often when governments move only when ultimately they are compelled to do so by circumstances or by public opinion built up for them by the New Democratic party.

We have always stated—and I wish to reiterate it—that it is the responsibility of all of us to emphasize that the ultimate goals of a real society in Canada, a society of personal and collective security and permanent peace, must be achieved by utilizing the political instrument for its supreme task of enabling this nation to meet the challenging times.

We are undoubtedly facing challenging times, Mr. Speaker, I know that if anybody dares to criticize the government or their party, their actions or their statements, we hear from the Conservative side of the house a great deal to the effect that we are doing a disservice to Canada and that we are bringing Canada into disrepute. When they say this they are completely ignoring the duties and responsibilities of members of parliament and are showing their own callousness and ineptitude. It is therefore necessary for them to bring out the blindfold in order to hide their own failures and shortcomings.

We live in an age of anxiety. We have anxiety in Canada domestically as to individual economic security and anxiety as to whether we are to have peace or war. It is the responsibility of all of us in this House of Commons to recognize that fact, to face up to and confront the problems and to see what we can do about them.

We hear a great deal about the national production and increases in employment. That is all to the good. We are happy about it. However, Mr. Speaker, statistics do not fill the bellies and pay the rent of those who are out of work; and I may say that there are many people who are out of work in my own province of British Columbia. According to the latest figures we have the second highest ratio of unemployment in Canada. Some people are losing their homes and their furniture—they are even losing their morale—because of the failure of this government to solve the problem they told us they were going to solve in 1958. I wish to say this, Mr. Speaker, you can use all the statistics you wish to use, but what the unemployed Canadian workers want are jobs and not statistics gumbo. I say that something is wrong in this country of Canada and with the government of Canada, when, at a time when there are slums to be cleared, homes to be built, roads to be built, hospitals and universities to be built, new resources to be opened up, we have existing conditions and unemployment.

I know the answer comes back, "Where is the money coming from?" I have enough pride in Canada and in Canadians to believe that if we can find, as we did, $44 billion in order to wage two world wars and maintain the Department of National Defence, we can find the money with which to put our unemployed to work. I am certain that the people of Canada will respond to an invitation to make an investment in prosperity and peace just as fully as, if not more fully, than they will respond to an invitation to make an investment in order to win a war. If the government have not that confidence, they have no business to be in the seats of administration in this country.

I have heard it said so often that these things are impossible. I heard that word "impossible" from a government speaker just the other night when we had a debate at Carleton University. It should be understood that the word "impossible" means only one thing, namely those things that have not been done yet. Let us start doing some of the things that are long overdue, not only in the domestic field of endeavour but also in the international field.

May I say that one of the greatest heartbreaks of my life is to see the way in which this government has brought Canada into international disrepute and made her the laughingstock of the nations of the world.

Mr. Churchill: That is nonsense and the hon. member knows it.

Mr. Winch: I know that the Conservatives attack the Liberals and members of the New Democratic party, saying that we are the ones who have done that because we face up to the facts in Canada and in international affairs. Let me tell you, Mr. Speaker, that it is this government that has done it. Down in the United Nations we have the Secretary of State for External Affairs—a man for whom I have the greatest admiration—who is speaking, I presume, on behalf of Canada, sponsoring a motion for no expansion of the nuclear club. Not only does the motion go through the committee but it goes through the general assembly. Then at the same time we go over to Europe and we visit the military camps of Canada in France and Germany where we see our infantry with the Honest John. We know that this year they are going to be supplied with CF-104's. We are also getting Voodoos in Canada. We have two Bomarc bases for which there are no conventional warheads. None have ever been designed and there are none on the drafting board now. The weapon is useless unless it has it. How do you put the two things together? It is political hyprocrisy, and hypocrisy is conscious and deliberate dishonesty. The government is therefore guilty—

Mr. Churchill: You are going too far now.

Mr. Winch: The government is guilty of conscious and deliberate political dishonesty when it says one thing in the United Nations and has an entirely different policy at home.

Mr. Jones: Is the hon. member in or out of NATO this week?

Mr. Winch: Oh, the hon. member will have his chance to speak if he ever dares to do so.

Mr. Jones: The hon. member has interrupted others.

Mr. Winch: That is the situation unless, of course, there is no intention of having nuclear warheads. If that is so, just what business has the government had in sending down the drain the hundreds of millions of the taxpayers' dollars spent on the CF-104's, the Voodoos, the Bomarcs and the Honest Johns? Members on the other side of the house cannot have it both ways. As a result of policies at home and pronouncements in the United Nations you have made Canada a laughingstock.

Mr. Churchill: Where?

Mr. Winch: Throughout the United Nations.

Mr. Churchill: Nonsense.

Mr. Winch: Excuse me. Go down to the United Nations and after some of these speeches are made talk to the delegates from other countries and they will say that this is not what is being said in Ottawa. That is the situation. Face up to it.

An hon. Member: That is not true.

Mr. Winch: I know it is true or I would not be standing in my place saying it. I am asking you to have the intestinal fortitude to decide on a national defence policy, nuclear weapons or no nuclear weapons, and let the Canadian people know where you stand. At least have the guts to say yes or no.

These are some of the issues which should not be left until after the election. This House of Commons and the people of Canada are entitled to know, now that the house is in session and in light of the fact that the government has over 200 members out of 265, just what the policies are with respect to domestic and international affairs. I say further that if you have any answers, if you have any solutions, if you are sincere Canadians interested in Canada, you will not wait until there is an election. You will use your power now to do now those things which should be done. Action, not promises, is what is required. You have the authority and the power.

Mr. Deputy Speaker: I am sorry to interrupt the hon. member but his time has expired.

Mr. Winch: I will finish in one sentence. Let me say this. For everything that is of benefit to Canada at home and abroad and which is in the interests of the people you will have the unqualified and full support of every member of this group.

Mr. F. J. Bigg (Athabasca): Mr. Speaker, it is a wonderful privilege to represent the great and predominantly agricultural district of Athabasca. As I stand here I think it is a rare thing to be able to say in any parliament that the promises made to the people of one's riding have largely been fulfilled I do not think any government in the history of Canada has ever been able to go to the people tomorrow, next month or perhaps even next year and say to them, "We have done what we promised to do".

I offered myself in public service to the people of Athabasca and said I would come to Ottawa with an open mind to see what things it was possible to do and to implement to the best of my ability the promises that we made. I have never been more proud than I am at this moment to be able to go back at any time our great leader decides to go to the country and say to my people, "I have been your hired man and I am asking you for the same job again".

Some of the chores we have been given by the people of western Canada have not been easy. Canadian taxpayers were affected because the economy of the country was in a slump. We have steered the ship of state through very troubled waters and today we can say that we are bringing the ship home with a well-stocked hold.

We have unemployment. There is chronic unemployment. Both the Liberals and socialists say that we have done nothing about it. We have not permanently cured unemployment but we have done something about it. We have been seriously criticized for depleting the unemployment insurance fund. What was the fund for? It was to fill the gap between full employment and unemployment. This we have done. What would they have had us do? Leave the money there that these people had paid into the fund for the purpose of protecting themselves against such an emergency? No, we have spent the money and we are proud of it. We have not created government jobs for everybody in Canada like the socialists would have us do, and if you look at the record in Saskatchewan you will know well why we have not. This is still a land of freedom and opportunity, a land where a man is expected to pull his own weight. The socialists would have labour and the farmers join in an unholy marriage. They call it the New Democratic party but it is rank socialism with a new name.

Mr. Douglas in his concluding remarks at their convention challenged the people of Canada by saying that he would give them rank socialism. He said, "If you do not believe I will nationalize everything, look at my record. We have nationalized everything

in Saskatchewan that we could get our hands on and we are going to carry on until we have nationalized everything and have brought you Jerusalem the golden. Let me say to each and every member that you cannot share wealth which you are not going to go out and earn.

When I have spoken before in the house I have said that the policy of this government is to make us strong at home and generous abroad and that we were not confining ourselves to matters of international agreement around the council tables of the United Nations or even NATO but were speaking economically as well. We cannot be generous abroad until we are strong at home, until we pull up our economic socks. How are we going to do this?

Mr. Argue: Get rid of John.

Mr. Bigg: Not by nationalization, not by going back to the old laissez faire of leaving things alone. We have got to go back to work as individuals. No labour union can guarantee us an income for Canada. The farmers know this fact. They know that men like myself have come to Ottawa to represent them honestly, fairly and truly and to speak good common sense, to tell them that we have got to work and create wealth before we can share it. Anyone who says differently is a liar. There is no way by which you can share poverty and get to Jerusalem the golden.

Mr. Douglas won a provincial election on the promise of free medicine. There is nothing free in this world. If you want medicine you will have to pay for it. You cannot give the people of Saskatchewan free medicine, and now the socialists admit it. They say they will give them free medicine if the federal taxpayers will pay 60 per cent of the cost. Free medicine. They started shoe factories, they started box factories and they all failed. You cannot compel a man to work his best. I agree that in Russia where men can be regimented from the cradle to the grave a certain amount of work can be forced out of them and if mass production methods are used more tanks can be turned out even by slaves, but you cannot get better work out of Canadians. They must be led not driven.

Mr. Deputy Speaker: I am sorry to interrupt the hon. member but it is now six o'clock.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I have some indication from the house leader concerning the business for tomorrow and the rest of the week?

Mr. Churchill: The intention is to continue with the debate on the address in reply to the speech from the throne.

Mr. Argue: That is terrible. Shame. You should proceed with the acreage payments tomorrow, after all this fanfare.

Mr. Churchill: As tomorrow is the fourth appointed day for this debate there will be a vote on the amendment at 9.30 p.m. On Friday we will take supplementary estimates unless, for some reason now unknown to me, we have to make a change. If some crisis arises we may have to disappoint the hon. member for Assiniboia. I hope he will not call the payments "peanuts" again.

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

APPENDIX "A"

CANADA-U.K.—COMMUNIQUE ON EUROPEAN TRADE DEVELOPMENTS

Ottawa, January 4, 1962

Canadian ministers and Mr. Edward Heath, Lord Privy Seal in the British government, have concluded two days of useful and constructive talks concerning European trading developments. The Canadian ministers taking part in the meeting were Hon. Donald M. Fleming, Minister of Finance, chairman, Hon. Howard Green, Secretary of State for External Affairs, Hon. George Hees, Minister of Trade and Commerce, Hon. Alvin Hamilton, Minister of Agriculture.

During the discussions Mr. Heath informed Canadian ministers of current developments in Britain's negotiations with the European economic community. He stressed the efforts being made by the United Kingdom to safeguard the essential trade interests of Canada and other commonwealth countries. Canadian ministers welcomed his statement and emphasized the extent and importance of Canadian interests in the British market. They indicated that they would provide the British government with complete information on all aspects of Canadian trade interests relevant to the negotiations in Brussels. The ministers reaffirmed that full consultation and co-operation would be maintained between the two governments throughout the negotiations in Brussels and that the means to this end would be adapted as circumstances might require.

There was complete agreement on the great value of commonwealth trade links and the need to maintain them. It was also agreed that when the talks with the European economic community are further advanced it may be desirable to examine what additional arrangements for consultation with commonwealth countries are necessary.

Mr. Heath and the Canadian ministers noted the conclusions of the recent meeting of trade ministers arranged by the GATT in Geneva concerning future tariff negotiations, trade in agricultural products, and obstacles to the trade of the less developed countries. They welcomed the recent reaffirmation by the ministerial council of the organization for economic co-operation and development of the objective of expanding world trade on a multilateral non-discriminatory basis. They stressed the importance they attach to further progress in the reduction of tariffs and other barriers to world trade.

Ottawa, January 13, 1962

SEVENTH MEETING OF JOINT CANADA-UNITED STATES COMMITTEE ON TRADE AND ECONOMIC AFFAIRS

The seventh meeting of the joint Canada-United States committee on trade and economic affairs was held in Ottawa, January 12 and 13, 1962, under the chairmanship of Hon. Donald M. Fleming, Minister of Finance.

2. The United States was represented at the meeting by Hon. C. Douglas Dillon, Secretary of the Treasury; Hon. Stewart Udall, Secretary of the Interior; Hon. Orville L. Freeman, Secretary of Agriculture; Hon. Luther H. Hodges, Secretary of Commerce; and Hon. George W. Ball, undersecretary of state. The United States delegation also included Mr. Livingston T. Merchant, United States ambassador to Canada.

3. Canada was represented by Hon. Howard Green, Secretary of State for External Affairs; Hon. Donald M. Fleming, Minister of Finance; Hon. George Hees, Minister of Trade and Commerce; and Hon. Alvin Hamilton, Minister of Agriculture. The Canadian delegation included the Canadian ambassador to the United States, Mr. A. D. P. Heeney.

4. The committee noted the improvement in the level of economic activity in both countries since the previous meeting in Washington in March, 1961. They agreed on the importance of achieving sustained economic growth in accordance with the resolution adopted at the first ministerial meeting of the OECD on November 17. Measures for the expansion of world trade would be essential to the achievement of these aims.

5. Canadian ministers reiterated their support for the expansion of world trade on a multilateral, non-discriminatory basis, and Canada's readiness to play a constructive role in the promotion of freer world trade. United States members welcomed this statement and pointed out that the United States had consistently supported these objectives for many years. The committee recognized the importance of the recent decision at the GATT ministerial meeting to explore new arrangements for the multilateral reduction of trade barriers and for moving toward freer trade. The

United States members emphasized that the new trade legislation being sought at this session of congress is intended to contribute substantially to this objective.

6. The United States members explained the general nature and purposes of the trade expansion program which the United States administration will be submitting to congress, which, if approved, would enable the United States to make a greater contribution to the growth of international trade on a multilateral basis, and in this way contribute substantially to the strength and prosperity of the free world.

7. The committee examined the problems inhibiting international trade in agricultural commodities and underlined the importance of securing international agreement on measures which would provide adequate access to world markets for agricultural producers. They agreed that such measures should take full account of the comparative advantage of production in agricultural commodities among different countries. United States and Canadian ministers expressed the hope that coming international discussions would effectively contribute to the freeing and expansion of international trade in agricultural products.

8. The committee noted the current negotiations between Britain and the European economic community and the widespread consequences which British entry into the E.E.C. would have for the rest of the world. The committee recognized the great importance of the commonwealth as a unique association of free nations bridging five continents and the constructive contribution which it was making to world peace and stability.

9. Canadian ministers emphasized that the commonwealth trade links, including the exchange of preferences and the historic right of free entry into the United Kingdom market, were an essential cohesive element in the commonwealth association. They stressed the importance the Canadian government attached to Britain's efforts in their negotiations with the E.E.C. to safeguard the trade interests of Canada and other commonwealth countries.

10. The committee recalled the constructive conclusions reached at the recent ministerial meeting of the GATT concerning the trade of the less developed countries. They reaffirmed that it was the continuing policy of both countries to assist the efforts of those countries to expand their trade and improve their standards of living.

11. The committee recognized that direct exchanges of views at the cabinet level are useful in helping to maintain soundly based and effective economic co-operation between Canada and the United States. Such understanding and co-operation will be all the more necessary in the years ahead if each country is to play its part in a changing world with a full recognition of the essential interests and aspirations of the other.

HOUSE OF COMMONS

Thursday, January 25, 1962

The house met at 11 a.m.

CURRENCY, MINT AND EXCHANGE FUND ACT

AUTHORIZATION TO PURCHASE INTERNATIONAL MONETARY FUND SECURITIES

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

That it is expedient to introduce a measure to amend the Currency, Mint and Exchange Fund Act to authorize the Minister of Finance to purchase, out of the exchange fund account maintained under the act, securities of the international monetary fund.

Motion agreed to.

NATIONAL DEFENCE

INQUIRY AS TO MEETING OF JOINT U.S.-CANADA COMMITTEE

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I wish to ask the Minister of National Defence whether, as reported in a press article, the Canada-U.S. joint defence committee has not met since July, 1960?

Hon. D. S. Harkness (Minister of National Defence): I cannot offhand recall the exact dates, Mr. Speaker, but I think it was somewhere in that area.

REPORTED AGREEMENT TO INTEGRATE NUCLEAR TEST AND DISARMAMENT DISCUSSIONS

On the orders of the day:

Hon. Paul Martin (Essex East): I wish to ask the Secretary of State for External Affairs if he has any comment to make on the recent statement of the British prime minister as to the attitude of the United Kingdom in its negotiations with the United States, agreeing with the Soviet union that the nuclear test discussions should be integrated with the general discussions on disarmament?

Hon. Howard C. Green (Secretary of State for External Affairs): I would not care to comment on the statement by the British prime minister but, during the recent session of the United Nations, either General Burns or I suggested it might be worth while to have that particular part of the disarmament subject dealt with in the general committee. In any event, we had no particular objection to it, so that is the course which has now been proposed by the west.

BUSINESS OF THE HOUSE

SINCLAIR REPORT—INTRODUCTION OF LEGISLATION RESPECTING LICENCE LIMITATIONS

On the orders of the day:

Mr. Frank Howard (Skeena): I wish to direct a question to the Minister of Fisheries and ask whether it is his intention to introduce any legislation this session based upon the recommendations of Dr. Sinclair with respect to licence limitations?

Hon. J. A. MacLean (Minister of Fisheries): No decision has been reached in this regard, but it would seem unlikely. This would depend on the length of the session.

Mr. Howard: As a supplementary question, would the minister care to comment upon a Canadian Press dispatch relating to the minister's visit to the west coast last year, in which dispatch the minister is quoted as saying he is opposed to licence limitations.

Mr. Speaker: Order. The hon. member seems to me to be seeking an expression of opinion rather than information in asking about something said by the minister a year ago. Furthermore, the urgency that is usually required of oral questions seems to be lacking, as there was ample opportunity since then to ask that question.

AIRPORTS

SYDNEY, N.S.—INQUIRY AS TO IMPROVEMENT OF TERMINAL

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): May I direct a question to the Minister of Transport. In view of the alleged unsafe condition of the air terminal at Sydney, Nova Scotia, would the minister please advise the house if there are any immediate plans to improve conditions there?

Hon. Leon Balcer (Minister of Transport): The airport at Sydney is in no way unsafe. I have had some representations from the hon. member for Cape Breton South (Mr. MacInnis) relating to various improvements

which could be undertaken at the airport, and these representations are being investigated by my department at the present time.

(Translation):

SHIPPING

COASTAL TRADE—INQUIRY AS TO FURTHER DISCUSSIONS WITH U.K.

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to ask the Minister of Transport (Mr. Balcer) a question. Could he give us a progress report on negotiations between the Canadian government and the British government with regard to some announcements he made in this house during the last session concerning some restrictions on inland or coastal traffic, which was to be limited to vessels sailing under the Canadian flag?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I am pleased to announce to the house that the United Kingdom government, as was provided in the treaty, has agreed to serve as go-between with the other signatories so as to inform them of the Canadian government's intentions and ask for their approval of this government's decision.

I am happy to report that up to now Australia, Ceylon, Malaya and Sierra Leone gave their agreement to that decision. New Zealand and Ghana have unofficially indicated that they were about to transmit their agreement. We still have to hear from Nigeria, Cyprus and the Irish Republic, but we are expecting an answer very soon.

Mr. Chevrier: Is the minister able to tell us when the new regulations will be enacted?

Mr. Balcer: Mr. Speaker, as I said during the last session, for the government's intentions to take effect legislation will have to be introduced during the current session. As soon as the last signatory of the treaty will send us his approval, the appropriate bill will be submitted to the house.

(Text):

GRAIN

WHEAT—INQUIRY AS TO EMPTY ELEVATOR SPACE AT LAKEHEAD

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I wish to direct to the spokesman for the Minister of Agriculture a question prompted by concern among the laid-off elevator workers at the lakehead over the fact that there are in lakehead elevators this year 18 million fewer bushels of wheat than there were last year. Can the minister give an explanation for this situation or can he give any assurance that this empty space will be filled before the shipping season opens?

Mr. W. H. Jorgenson (Parliamentary Secretary to the Minister of Agriculture): I find it rather difficult to answer this question offhand, Mr. Speaker, but I will make inquiries from the department and have an answer for the hon. member tomorrow.

POWER

STATEMENT ON ESTABLISHMENT OF NATIONAL GRID

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Yesterday, Mr. Speaker, the hon. member for Kootenay West (Mr. Herridge) asked me what steps have been taken to promote interest on the part of provincial governments in the development of a proposed national power grid. I stated my recollection was that a letter had been sent to the premiers of the various provinces.

In that letter I pointed out that there are substantial advantages for the nation as a whole that could be achieved in the development and use of electric energy if approached on a regional and national basis and that the establishment of long distance transmission facilities between provinces, and ultimately between the different regions of Canada, would make possible the development of hydro electric sources in remote locations that would otherwise be deferred for many years or not developed at all.

I expressed the belief that interprovincial connections and arrangements would make possible substantial economies in reserves and in capital requirements, and would be of benefit to industry and to consumers generally.

I further pointed out that the government of Canada, owing to the nature of the problem, would be glad to assist in its study and solution. It affects the nation as a whole as well as each of the provinces and the relations between provinces. To that end, in view of these circumstances, I expressed the view that a conference should be convened where the provincial ministers primarily involved, accompanied by their technical officers and power advisers, could discuss with federal ministers the basic problems associated with the development and transmission of electric power within Canada. I expressed the hope that such a meeting, if agreed to, could be

convened at Ottawa at an early date. I have asked the views of the provincial premiers and when their response is received, the house will be advised further.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Wednesday, January 24, consideration of the motion of Mr. Rodrigue Bourdages 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. Pearson.

Mr. F. J. Bigg (Athabasca): Mr. Speaker, it is a great compliment to a backbencher to be interrupted by experienced members of the house. I had this privilege yesterday, as recorded on page 170 of *Hansard*, when the house leader of the New Democratic party made one of his negative remarks. I was not surprised because we have never had anything but negative remarks from that corner of the house or from those who sit to their left. The hon. member for Assiniboia (Mr. Argue) suggests that we can get rid of all our problems by merely getting rid of the Prime Minister (Mr. Diefenbaker) and his government. I suggest that is not our problem but rather, as the present government has done, we must do more to get rid of surpluses as we have done with our surplus wheat.

Our Liberal friends are also negative. They appear to agree entirely with such criticism. They offer nothing but negative criticism. The hon. member for Burin-Burgeo (Mr. Carter) said that it is treason to sell wheat to red China.

Mr. Carter: On a point of order, Mr. Speaker, I did not say that at all. I said that in time of war it is treason to sell to an enemy.

Mr. Bigg: I believe you have confirmed what I have said. Getting rid of our surplus grain when there is a surplus is something very close to our hearts in western Canada. It is not only important to western farmers but it is important to the whole economy of our country to keep our ships busy, our railroads busy, the dock workers in Vancouver busy and to reduce storage costs. We have been accused of gambling with the Canadian taxpayers' money. I would venture to say that the money we save on storage of this grain alone will make up for any possible loss on delivering the grain to China.

But enough about grain. I think the Leader of the Opposition (Mr. Pearson) and the leader of the left-wing party should concentrate on getting rid of other things than the Prime Minister and the present government. I should like to see them help us get rid of the idea that Canada owes us a living. We owe Canada a great loyalty, the loyalty of labour. I should like to suggest that the time is now ripe when the federal government should take some steps to establish a labour code for Canada. We do not want to dictate to labour but it seems necessary that by adding to the bill of rights or by means of some other federal statute we give support to the workers of Canada, the man who wants to work. I suggest five points that might be covered in such a labour code. I think we should guarantee workers the secret ballot. Democracy is a farce without the secret ballot. I think we should regain control of our unions by seeing that the headquarters of all unions are in Canada and that any recognition of international unions is no more than, shall I say, a spiritual one. The real control of unions should be within Canada. Their headquarters should be here and the dues should be paid here. No man in Canada should have to pay dues to a union, whether or not he belongs to it, except as a matter of choice. Having paid those dues, he should have the right to have the books audited, the same as any other organization.

I think we should eliminate the criminal element in our unions in Canada by barring persons from holding office or by saying we will not deal with men who have a criminal record within the past five years covering certain crimes such as violence to the person, sedition and riot. I am not going into the specific details, but the working people of Canada know this is essential. I should like to see the time come when we would step out in front and give the working people this basic freedom to elect their own officers and make sure they have the right kind of officers.

Then, too, I feel before a union has the right to call workers out on strike there should be a secret ballot taken. If they do go on strike then, from time to time during that strike, another ballot should be held to ascertain whether or not the workers are willing to subject their families and themselves to the economic strains of remaining out on strike beyond a reasonable length of time. I think this can be done. The constitutional angles can be worked out, and we should go on record as saying that we will give the working men of Canada the same fundamental rights which we preserve for every other segment of our community.

There are other things which are required, when we look to the future. Transportation across Canada will remain one of our major problems. When a second trans-Canada highway is built—I know it will be built and you know it will be built—I believe we should take a good look at it to make sure it

is built well to the north of the present one. We look to the orderly development of the north, and if this highway is to be effective and add to our tourist income and the orderly development of the resources of our country, I am convinced that, especially going across the prairies, it should be to the north of the North Saskatchewan river. No one who is travelling across Canada as a tourist will go across the dry prairies twice in one summer. They will cross from Winnipeg to Calgary, but on the return trip they will take advantage of our incomparable parkland which lies in the northern part of the three prairie provinces.

Our roads to resources program is something of which we can be very proud. This again will have to be expanded. One of the most important parts of our roads to resources program will be to make sure that these roads link us up in an orderly manner with the north. Wood Buffalo park, which is one of the largest parks in Canada, is in the northern end of my constituency and has a rich mineral potential. I should like to see some amendments made to the National Parks Act, particularly with reference to Wood Buffalo park, to open it up for prospecting. The objection has been made that this action might interfere with our large buffalo herds, but the buffalo herds are nowhere near the prospecting area in this park. I am very keen to see a new look taken at this particular park in order to insure that the people of Canada are not deprived of the mineral resources and the prospecting possibilities which lie in that part of our country.

As I said before, Athabasca is largely agricultural.

We are proud of the record of our Department of Agriculture during the past four years. Of course there will always be problems in agriculture. One which I think is very important is the question of the grading of pork. It is some years since I have seen first-grade bacon on sale in Canadian stores. I have challenged the packing plants to produce first-grade bacon for sale in Canada. They sell it abroad; they sell it to the luxury trade, but we cannot get it in the ordinary stores across our country. I think the reason for this is that we do not grade our pork in the same way that we grade beef. If we did it would take the profit out of buying C-grade pigs and selling them as A-grade pork products.

This government changed the policy of paying premiums to the Canadian farmer for raising grade A and grade B hogs. Last year alone this change encouraged the farmers of Canada to raise their standards of hog production. In the province of Alberta alone we had approximately 27 per cent grade A hogs instead of 21 per cent, an increase of 6 per cent in one year. I say again that pork should be graded in order to encourage the farmer to raise a higher standard of hog, and there is no limit—at present, anyway—to the sale of our first-grade products. Incidentally, if we embark, as we have in connection with other products, on price supports I think it is only common sense to say that the Canadian consumer should also have the advantage of eating first-grade pork products.

Getting rid of this government is no answer to our problem in regard to unemployment. Our problem is to make sure that every boy, girl, man, woman and child in Canada wishing to earn a living is trained for that purpose. Our educational program all across Canada has up to the present time been inadequate for producing enough skilled workers for the pioneer country. I am glad to see that this government is taking and has taken solid steps toward providing trades training for everybody willing to take this training.

Our physical fitness program is an important part of this trades training program, because a man cannot work in an active trade unless he is physically fit. If we are physically fit and have most of our people trained for trades, then we need leaders in our country. This is where university training comes in. With an adequate system of university training across our country those who have the native ability will be able to take their places out in front. With increased grants to universities I am sure the youth of Canada will take advantage of this program and will keep on supplying the leadership which we need.

We have been accused by both opposition parties of having no defence program. These are strange words from people who are either isolationist or pacifist. The Conservative party has never been either of these things. We are proud of our record in international affairs and we are proud of the stand we have taken on home affairs. We have decided to be strong at home and generous abroad. In order to be strong at home it is necessary for us to play our part in the defence of our country, the defence of this hemisphere, the defence of the west and, perhaps most important of all, the defence of man's dignity and freedom everywhere.

The opposition parties say we have no policy, because to some of them being strong at home does not sound like being generous abroad. But you cannot be generous abroad unless you are strong at home. Unless we have a free country here, not only free now

but free forever, it is impossible for us to pull our weight in the world or in the councils of the world.

Canada is certainly not respected abroad solely because we are rich. The underprivileged countries of the world do not love us for being rich; they love us for being generous. Our contribution of $50 million a year to the Colombo plan alone is admired by the nations of the earth. No country pays more that Canada to look after their fellowmen.

We know where we are going in this party. We believe in it. We also believe in being strong at home. We believe in keeping our armed forces adequately prepared for any eventuality. We believe in providing them with the finest equipment, whether for use in the air, on the land or on the sea. We believe in supplying them with equipment we can afford. If we can produce an aeroplane which is adequate, or very nearly adequate, for $1½ million in comparison with aeroplanes which might cost $7 million or $8 million apiece, we are going to produce the cheaper aeroplane. We will produce them in Canada with Canadian labour. This sounds like solid, sound policy to me.

I will always vote for anything approaching or sounding like national service. I do not mean compulsory national service. I should like to see the time come when every young man and young woman in Canada is ready, willing and able to serve his or her country at any time they are called upon to do so. My own life has been one of service to my country and it has been a very happy and, I hope, fruitful one. I have been in the service of Canada for some 27 years and I cannot exaggerate the challenge and satisfaction which comes from belonging to one of our great services.

Members of the House of Commons, I take great pleasure in reviewing at this time the record of this government, and I can only say that if we go on expanding the program which we have started so well, I am sure Canada will never regret 1957 and 1958, and that we will be asked to carry on in 1962.

(Translation):

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, first of all I should like to associate myself with those previous speakers who have congratulated on their promotion some of our colleagues to your right, and I refer in particular to the hon. member for Pontiac-Temiscamingue (Mr. Martineau) and the hon. member for Quebec South (Mr. Flynn).

As for the others, the forgotten ones, those who had ambitions but who had to remain inconspicuous, I sympathize with them, more especially as it seems quite obvious today, on the eve of an election, that they have missed the boat for a one-way trip.

Mr. Speaker, the present government has been charged with lack of leadership. I rather think that will be the characteristic of the Conservative administration, whose term of office is about to expire, and especially its inability to take a stand squarely and firmly and to propose solutions to the problems we are now facing in Canada, when those problems first came up.

In such a context, the speech from the throne did not disappoint us. In fact, it does not indicate at all in what way the government intends to make up the astronomical deficit of nearly a billion dollars which we are going to show. Nor does it mention how the government intends to readjust our economy in terms of the common market. In short, apart from the winter works program which we have often denounced as inadequate, the speech from the throne does not mention anything, not a single long term or short term measure capable of putting to work a substantial proportion of our unemployed.

The speech from the throne does not say a thing about the government's position in the field of nuclear weapons. The silence of the speech from the throne on the matter of nuclear weapons is ample proof that we were justified in the criticism we levelled against this government last year when we said that it had no defence policy.

Furthermore, the speech from the throne does not propose any concrete measure to promote national unity at a time when confederation is subject to a large-scale assault.

Last Monday, the Leader of the Opposition (Mr. Pearson), in a speech which can be considered as extraordinary, and which has been commented on in the press all over the country, expressed not only the deception but the discontent both of the opposition and of a majority of Canadian citizens, because we are in this rather extraordinary position where about 50 Liberal members of the opposition are now able to speak on behalf of the majority of Canadian voters, as is shown by the latest Gallup polls conceding to the Liberal party a much more considerable proportion of the votes than to the Conservative government, which does not represent anything any more, although it is still in power.

Mr. Speaker, issues are not lacking today, but I shall limit my remarks to only two of them. First, unemployment, and then national unity.

I want to raise the question of unemployment because I represent a constituency mostly made up of industrial workers and also because the unpopularity of the government is mostly the result of its inaction concerning that question of national importance. But before coming to that point, I should like to go back a little so that there is no misunderstanding, and quote figures which were given in a speech by the hon. member for Laurier (Mr. Chevrier) when, on March 2, 1960, he quoted the official figures supplied by the dominion bureau of statistics for the period 1946-56 concerning unemployment during that 10-year span of Liberal administration. And I do not hesitate to quote these figures since they were then given in the presence of the Minister of Labour (Mr. Starr) who asked one or two questions, but did not dare question those figures.

Well, the hon. member for Laurier established and proved that the annual percentage of unemployed in Canada, in comparison with the labour force, from 1946 to 1956, was never any higher than 2.8 per cent. You will recall that according to experts, you have full employment when unemployment is only 3 per cent of the labour force. Those figures are indisputable. Therefore it is a fact that for the 1946-56 period, in terms of average annual percentage, there was full employment in Canada, and that was under a Liberal administration.

And that was the situation when the Conservative government took over the affairs of this country. Since then, everyone knows that unemployment has reached astronomical proportions which compare easily with the figures for the 1930-35 period. Astonishingly enough, the government has always been helpless and unable to find at least a partial solution to the problem, despite considerable administrative deficits which now amount to $2 billion.

Mr. Ricard: You are talking about the Lesage government.

Mr. Deschatelets: And I would say that none of those deficits included expenditures directly intended to solve the unemployment problem. There is no direct expenditure meant to solve this problem with the exception, of course, of the amounts spent for winter works. And even now seasonal unemployment is mentioned. Referring to the speech from the throne, I find at page 2 of *Hansard* for January 18, the following sentence:

> —notable progress has been made in meeting the problem of seasonal unemployment.

I am very anxious to hear at election time the Conservative members, especially in urban constituencies, tell the Canadian workers that we have had seasonal unemployment from 1958 until today.

Mr. Pigeon: Let Mr. Lesage take—

Mr. Deschatelets: At this time, it is the first problem—

Mr. Pigeon: Let Mr. Lesage take his responsibilities.

Mr. Deschatelets: If my hon. friend has any question to ask, he will have every opportunity of doing so a little later, but I wish to say this. My hon. friend has already taken part in the debate on the speech from the throne and he was wise enough not to mention the unemployment question.

Mr. Speaker, after reading that sentence in the speech from the throne, I say that even now the government is still trying to deceive the country, to minimize a problem which has lost nothing of its seriousness, and I will prove it with figures, one of which was given to me by the Minister of Labour himself. To make my task a little more difficult, I shall use only the statistics for last November 30.

Through sampling, the dominion bureau of statistics established that on November 30 there were 349,000 unemployed in this country. This figure represents about 5½ per cent of the labour force. It is already high for that month of the year. I mentioned earlier that I represent a labour riding, that I am familiar with the situation and that I do not admit that the figure of 349,000 tells the true story.

I contacted the Minister of Labour and asked him to give me the number of unemployed receiving unemployment insurance benefits as of November 30. The letter I got from the minister shows that, as of November 30, 385,964 unemployed were receiving unemployment insurance benefits. There was, therefore, 36,900 unemployed receiving unemployment benefits over and above the figure given by the dominion bureau of statistics.

Therefore, I say that if approximately 386,000 unemployed were drawing unemployment insurance benefits in November, those people had met several requirements provided under the law: they had worked, they had lost their job for reasons beyond their control; in short, they were eligible for unemployment insurance benefits.

If there were 386,000 unemployed on November 30, I should like to know how many there were then who were not entitled to unemployment insurance benefits for various reasons. That figure has never been disclosed.

I said earlier that the government, by means of a subtle policy, attempted to minimize the importance of this problem, to conceal its actual acuteness.

It will be recalled that for the past year or year and a half, the Minister of Labour (Mr. Starr) has not given us every month the statistics released by the national employment service whereas, under the previous government, we were provided with all available data and their interpretation was left to each individual.

I made enquiries with unemployment insurance experts. Last year, I stated that with the help of experts, I was ready to place that evidence at any time before the industrial relations committee which has not sat for the last four years. Indeed, it is the only committee of the house which has not convened except for the setting up of the committee at the beginning. That committee would have been best suited to deal with Canada's most important domestic problems.

To sum up, on November 30 we had 386,000 unemployed who received benefits, that is genuine unemployed. In addition to that, the number of unemployed who received no benefits, because they had been unable to prove that they were entitled to them, is estimated at 128,666. So as a grand total we had the impressive figure of 514,666 unemployed in Canada last November 30.

Mr. Speaker, if to that already huge total for the month of November you add the wives and children of those unemployed, that is the Canadian citizens who suffer from that evil, you reach a figure that surely indicates the national significance of that problem.

Let no one ever tell you that the Prime Minister and the Conservative government have kept their promises, at least the most important promises that were made to the Canadian people.

As I said a moment ago, I challenge the Prime Minister to go in any urban riding in Canada today and claim that he fulfilled his commitments as far as unemployment is concerned. And he had made the firm commitment that "No one shall suffer", and this statement will constitute a backfiring slogan in the forthcoming election.

Let us examine the defence offered by the government since last year to the charge that they showed nothing but inertia in the solution of the most important domestic problem we face. I followed and I read again with amusement the claims of the Secretary of State (Mr. Noel Dorion), the Associate Minister of National Defence (Mr. Pierre Sevigny), who for a year and a half have been campaigning up hill and down dale instead of staying in their office and looking after the affairs and the problems of their departments. They made comments about unemployment which were utterly irresponsible. And I am going to try refuting them.

The Secretary of State and the Associate Minister of National Defence made the following statements:

1. The present unemployment situation (they said this at practically all the meetings where they spoke) must be blamed on the former government.
2. It is the result of unforeseen and unforeseeable circumstances.

Let us look into the first reason advanced, i.e. that "the former government must be blamed."

Earlier today, I quoted indisputable figures to the effect that, in the decade from 1946 to 1956 the average annual unemployment did not exceed 2.8 per cent of the total labour force. This is based on irrefutable figures. Moreover, I shall advance this argument, which is also unassailable. When we left office in 1957, we had an amount of $926 million in the unemployment insurance fund. Now, if there had been massive unemployment under our administration, why was such a large amount left in the fund?

As to the second reason alleged, it is slightly more subtle: "The unforeseeable and unforeseen circumstances which the government had to face."

I should like to turn against the Prime Minister (Mr. Diefenbaker), as a boomerang, a feat that he likes to recall, namely the reading in January 1958 of the report on Canada's economic prospects. This is a fact that should be emphasized today, after the government has been four years in office, because when the Prime Minister read to the house in January 1958 a report on economic prospects, he could at that time attempt to throw confusion just before a general election. All the same when he read that document, he acknowledged publicly that clouds were piling up on the horizon. Today, four years later, his ministers cannot plead ignorance.

I apologize for taking up so much time on this academic discussion, Mr. Speaker, because there is only one thing that matters and it is that the present government was elected on definite promises, and got the support of 208 members of parliament. When it came into

office, it received a rich inheritance. There were $926 million in the unemployment insurance fund.

Mr. Ricard: Unemployment was then on the rise.

Mr. Deschatelets: We had reduced the debt by more than $2 billion following numerous surpluses. As early as 1958, there was nothing to stop the present government from taking energetic steps, as was its duty, to face existing problems.

I submit that if, way back in 1958, the government had followed the suggestion made by the Leader of the Opposition—nobody can refute that—and substantially reduced taxes instead of increasing long term expenditures, we would not be in the tight spot in which we find ourselves today.

I cannot blame the government for trying to delay the general elections. How could a Conservative member justify before his electors the inertia of his government after the four years it has been in power?

In the speech he made to move the adoption of the address in reply to the speech from the throne, the member for Laval (Mr. Bourdages) stressed the importance of national unity. That is the second point I wish to deal with. That is a very important question especially in present conditions. But if we want to obtain tangible results, the first requirement whenever we speak of national unity is to speak with conviction.

It is essential that a political party preaching national unity at least be a party representative of national unity. Mr. Speaker, in 1958, during the first session, I said that the Conservative party was not representative of national unity, but a party where could be found reactionary and opposing tendencies. Subsequent developments proved that I was right. We all remember that last fall, as he does even now, the hon. member for Roberval (Mr. Tremblay) denounced confederation; does this not prove that I am right?

If we examine certain speeches made in this house during the Suez crisis in December, 1956, for instance, the speech made by the Secretary of State for External Affairs (Mr. Green) and by Conservative members then sitting in the first row, we find that the contentions and ideas of the hon. member for Roberval on national unity are completely opposed to those of the leader of his party.

Therefore, how can a political party, comprising such diverse elements now preach on national unity, especially when one of the Conservative leaders, a few years ago—and I am talking here of the Minister of Veterans Affairs (Mr. Churchill)—claimed that the support of the province of Quebec was not needed to get a Conservative government elected?

I hope the Prime Minister will remember that most of the Conservative members in Quebec were elected with the full support of the Union Nationale, and I find most extraordinary the efforts of the Secretary of State, for instance, who tries to deny something that is common knowledge and that he, himself, should be the first to admit.

I have also here a letter addressed by the member for Gaspe (Mr. English) to the Hon. Mr. Duplessis after his election, and in which he thanks the premier for the work done by the Quebec liquor board police.

Mr. Speaker, we have witnessed in this House of Commons the consequences of that situation no later than last year—

Mr. Roland English (Gaspe): Mr. Speaker, I would like—

Mr. Deschatelets: Is the member rising on a point of order?

Mr. English: Mr. Speaker, I should like the hon. member to read into *Hansard* the contents of the letter he has just referred to. I have no intention of defending the Hon. Mr. Duplessis, but I have always been one of his good friends and it seems to me that I can be proud to say so in this house. However, I should like to acquaint myself with the letter which the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets) has just referred to.

Mr. Deschatelets: Mr. Speaker, I am willing to read this letter for I have it right before me. However, I would not like the time taken for this to be counted in the limited speaking time at my disposal. I will gladly read the letter if I am given a little extra time.

Mr. Pigeon: You have already wasted 15 minutes.

Mr. Flynn: Mr. Speaker, I rise on a point of order.

The hon. member for Maisonneuve-Rosemont has just referred to a letter and he knows very well that he is not entitled to do so unless he produces such letter or reads the full contents of it. Otherwise, that would be the equivalent of innuendos—

Mr. Pigeon: He is an expert on the matter.

Mr. Deputy Speaker: I regret to interrupt an interesting debate but I must inform the hon. member for Maisonneuve-Rosemont that his time is up.

Mr. Pigeon: You will be more serious next time.

Mr. Caron: The press is always wrong.

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Deputy Speaker, first of all I should like to tell the house how glad I am to see that our distinguished Speaker (Mr. Michener) is still presiding over the proceedings of this house.

I should like also to take this opportunity to congratulate you very sincerely on your appointment as Deputy Speaker of the house.

May I also extend my most sincere congratulations to the mover and seconder of the address in reply to the speech from the throne, Messrs. Bourdages and Browne (Vancouver-Kingsway), as well as to my great friend the hon. member for Quebec South (Mr. Flynn), our new Minister of Mines and Technical Surveys.

I also extend my heartfelt congratulations to my colleague from St. Hyacinthe-Bagot (Mr. Ricard) on his appointment as parliamentary secretary to the Prime Minister (Mr. Diefenbaker).

Mr. Martin (Essex East): The Prime Minister should have appointed you also.

(Text):

Mr. Grafftey: I have hardly got under way, Mr. Speaker, and the hon. member for Essex East (Mr. Martin) is interrupting me. We meet today in a very different House of Commons from that in which members met a number of years ago. Why? Because the members who support the present government are active members of parliament who travel to every corner of this country to keep in touch with the people. We meet in a different House of Commons today because the people of Canada are more interested in what is going on here than they have ever been before.

Why are the people of Canada more interested? Simply because as a result of the actions taken by the government the House of Commons in which we meet today has at last been restored to its proper role in the public affairs of this country. In comparison with days gone by, I ask hon. members to look at our attitude as displayed in the speech from the throne with regard to redistribution, closure and all those things that make this House of Commons a more central and active body in our public affairs. That is the reason. It is something that is hard to pinpoint but I ask everybody to stop, think and compare the role that the House of Commons is playing in our national affairs today with that played seven or eight years ago. I repeat that the people of Canada are interested in what is going on here because the doors of the cabinet are open. Members of parliament are working and by a sincere approach to parliamentary rights this institution has been restored to its proper place in Canadian public affairs.

(Translation):

Mr. Speaker, we must remain as it is, because the Progressive Conservative party, under the leadership of our eminent Prime Minister (Mr. Diefenbaker), will always keep in touch with the Canadian people. I repeat, we shall always keep in touch with the Canadian people. In fact, during both periods after the last two sessions, each member toured his constituency. So I repeat that we are the party of the people; the voice of the people will always remain our strength.

(Text):

I will not be so presumptuous, Mr. Speaker, as to lecture the opposition today. I could not do so and I would not. I also agree very often with what the Leader of the Opposition (Mr. Pearson) says, that they are not responsible for policy and sometimes I thank God that this is so. It is the government that is responsible for policy. I also realize that the word "bipartisanship" is often very loosely used. Perhaps we bandy it about too loosely. For my own part, nobody likes more than I do a purely political combat both within the House of Commons and outside the house when there is a sincere difference of opinion on the administration of public policy.

Mr. Martin (Essex East): You are too tough for your opponents.

Mr. Grafftey: I am sure the hon. member for Essex East, like myself, has a sincere love for good, honest, clean, political warfare when there is a sincere difference of opinion.

Mr. Martin (Essex East): I say you are too tough.

Mr. Grafftey: But I want to put one thought before the House of Commons today. What has the party of divide and rule been doing lately? I have always said and I say again that there are two fields with regard to which the major parties in the house should have a basic, united approach. One relates to our prestige abroad; the other relates to national unity at home. As a young man, before I came into the house of Commons I said to my friends and also publicly that I would never use national unity or our prestige abroad as political weapons. But what has the Leader of the Opposition been doing lately? What has he been doing lately in the province of Quebec? He is against joint

federal-provincial programs in that province, but outside of the province of Quebec he is in favour of them.

Mr. Brassard (Lapointe): Quote him.

Mr. Grafftey: I do not have to quote him. I just have to ask hon. members to look at the speech he made in Amherst, Nova Scotia, and his other speeches outside the province of Quebec. Has he ever made such speeches in the province of Quebec? No, because he is still a captive of the old divide and rule boys.

(Translation):

We advocate the same policy for all Canadians throughout this vast country, Mr. Speaker. I am not "Martin" in the province of Quebec and "Martin" in the province of Ontario: I may say in all sincerity that I am Grafftey in every Canadian province.

Mr. Martin (Essex East): This was also the statement of your former chief, Mr. Duplessis.

Mr. Grafftey: I would not say that the party of Cartier and Macdonald is the only party of national unity, but I do say that we have sincerely and actively supported the true spirit of national unity, every single day, every single week and every single year. I reiterate that we advocate the same policy for each part of this country.

(Text):

The other subject is our prestige abroad. I understand that the subject of Suez was brought up in speeches a few days ago. A few years ago there was an honest and sincere difference of opinion on the subject of Suez between the two major parties in the House of Commons, but I should like to put this thought before the house. On major matters involving international affairs the then secretary of state for external affairs at all times received nothing but bipartisan support from all members of the present government and Conservatives generally from one end of the country to the other. We united, put country before party at all times, and never washed our dirty linen outside of the Canadian family circle.

One who has read Canadian history with any degree of care must admit that after confederation in 1867 we really did not have too many basic and fundamental problems abroad. I think that is perhaps quite true of many young countries not long joined together by confederation or which have recently achieved nationhood. To put it briefly, we did not have too many axes to grind abroad. Today, however, there is a different picture. Canada is playing a greater and greater role in world affairs. For example, there are the problems with respect to the common market. We also are aware of the position the opposition has taken when we have had these problems abroad.

I say to the Leader of the Opposition (Mr. Pearson) and to all members of his party, that as Canada is becoming a more adult nation in the family of nations on the world scene, it will not be helpful to our prestige abroad if every time we are faced with a problem, before a practical solution is even suggested—oh, I admit again we are responsible for the solution of these problems—they say, "Oh, we are losing prestige abroad. Is it not a terrible thing?" I suggest that by sowing these seeds abroad the Liberal party, under their present leader, are doing that which we never did during the war and post-war years.

In Brome-Missisquoi, from where I come, the two historical ethnic groups that formed Canada in confederation live side by side in greatest harmony. I am going to be very frank with all hon. members. We all know, we can talk about it openly right here today, that the question of separatism is being discussed quite widely within the province of Quebec. It is being discussed here, it is being discussed there. It is being discussed on television, on public platforms, just as it has in years gone by. The very minute the subject was brought up, what happened? We heard the same old story. The divide and rule boys rushed into the province of Quebec and said, "Oh, national unity was never at a lower ebb." Again, they are putting party before country. I sincerely hoped, Mr. Speaker, that this was the sort of subject I would never have to touch upon when, as a young man, I was elected as a member of parliament to this House of Commons. However, such action on my part has been made necessary by the course that the Leader of the Opposition has taken in directing the activities of his party.

We have heard the expression "national unity" bandied about by many members of the opposition. The party of Macdonald and Cartier, the party now directed by the Right Hon. J. G. Diefenbaker has, in this modern day and age, done more for national unity in the last four or five years than any party before it. I say definitely that the provinces—I do not like to use the expression because it sounds almost as if one were doing the provinces a favour—have never received better treatment. However, I will say this, that the attitudes of this government have caused better dominion-provincial relations than ever before. I think it would be right to say that if one chose to look at a few statistics in the Department of Finance he would see that the provinces have received better treatment from this government than from any government before. Realizing that the municipalities have

great problems by our winter works program and by our legislation in relation to housing we have done more than any preceding government to put the municipalities of this nation on a sound basis.

With this in view, sir, I should like to suggest for the consideration of the government the establishment of an agency of government which might be known as an agency of provincial-municipal affairs. It has been suggested that we might have a permanent secretariat for the continuing dominion-provincial conferences. Also, it might be wise to have the same central agency for so many of the joint dominion-provincial programs which need so much assistance and co-operation. We see also many taxation and housing problems facing the municipalities. We see from the federal government the municipal winter works incentive program. It is with this in mind that I have suggested at the present time the advisability of establishing an agency of provincial-municipal affairs. I noticed that in the United States the president has tried to pilot through congress approval of the nomination of a secretary of urban affairs. It is not just because of that, however, that I make this proposal for the government's attention. I do suggest that, in the Canadian scene, what I have said merits some consideration.

Many people have said, Mr. Speaker, that the next election will be fought on the basis of free enterprise versus public ownership or pure socialism. Reference was made to this by our leader, and by the leaders of other parties as well as many others outside parliament. Well, this is certainly going to be one of the major issues in the next election campaign. On this subject I do not even pretend to speak for my party or my government, but for a few brief moments I should like to touch on this very important topic. Today, sir, the choice is not one between free enterprise and state ownership; it is a question of degree. How much state ownership should there be and how much free enterprise?

Before getting into my very brief discussion of this point which divides the major parties of this house, I should like to make a few general remarks. I think we will all admit that before the turn of the century, and before the rise of trade unions, old time free enterprise displayed many irresponsible attributes. In the old world, and I think a lot of us are very sorry when we think of this, there was much bitter cleavage between the owners and the workers, the haves and the have nots. It is my firm impression that, for good or for bad, it was in this bitter atmosphere that old world socialism was born. I firmly believe today that the New Democratic party and the Liberals are attempting to apply old world doctrines of the past to new world realities. They are adhering to outmoded conventions in the new world where there is no class bitterness, even though I would be the first to admit we have much progress to make in pushing back the frontiers of want.

Then, I am sure the members of the opposition are going to ask me what the members of our party stand for? For many years we have said that where, in the national interest, an economic activity is desirable and private enterprise cannot or will not initiate it, then the government can and should provide the necessary stimulus for the initiation of that activity. This is one of the principles to which we have always adhered. But we believe that in many cases individual Canadians know what is best for them. You cannot legislate to change the hearts of men. Unlike the Liberals or the New Democratic party, we do not possess the arrogance to believe we can always tell the individual what is best for him or her.

These are the basic differences of degree which I think should be made clear, because that is what is in the hearts of those of us who believe in this development of the free enterprise system. We believe where there is government there must be planning. Those who oppose us in the House of Commons appear to think we are for a hodge-podge of non-planning.

That which divides us from hon. members opposite is simply this: we do not believe you should have planning and government in as many places as they would like to have them. We plan and we govern where necessary. I believe that the Liberals and the New Democratic party would like to plan and govern for the sake of planning and governing.

We believe that government is of the people. Their attitude to the whole business of socialism versus free enterprise, in degree, is based on the fact that they have become detached from the realities of 20th century life. I think they have become detached from the people, in fact.

Mr. Martin (Essex East): Would my hon. friend permit a question?

Mr. Grafftey: Yes.

Mr. Martin (Essex East): Does my hon. friend agree with the view of the late Arthur Meighen, that the Conservative party in recent days has abandoned its traditional position and has become quite socialistic?

Mr. Grafftey: I could not accept that quote verbatim, but I would say this: I will agree quite sincerely, yes. I will agree that in so far as the Conservative party is not the

captive of doctrine, the way you are, we can abandon fields of activity. We are not the captive slaves of doctrine.

Mr. Bourget: It is a question of degree.

Mr. Grafftey: It is a question of degree. I am quite sure that we as Conservatives often use the expression. "Maybe our grandfathers would roll over in their graves if they could see what we are doing now."

An hon. Member: They sure would.

Mr. Grafftey: But we are still not abandoning our principles. The trouble with the Liberals and the New Democratic party is that their change in degree is very different. You are captives of your doctrines.

Those things which move the present administration are based on our high degree of respect for the individual and individual rights. I put the following proposition before each and every hon. member. The spark from heaven—who picks it up? The crowd, never: the individual, always.

Conservative action and principles do not concern themselves with idealistic doctrine. We are not the captives of a doctrine. We concern ourselves with the individual, the rights of the individual and those things which make a free individual in a free enterprise economy. These are differences in degree which are very important.

We also recognize that free enterprise, when it is free, as opposed to public ownership, is often regulated by government. Let us admit that the government sets the rules of the game. We also understand that by proper planning even a Conservative administration has a large, proper and important role to play in the public sector of the economy.

We recognize that the provinces have a great need for schools; the municipalities have a great need for houses; the provinces have a great need for roads. We recognize that in this day and age—some people think, for good or bad: I think, for good—government has a large and important role to play in planning the public sector of the economy. We admit that the government, by its taxation policies, may affect the whole economy. By its policies, regulations and action it can encourage free, individual, private enterprise. I also say that the government has its responsibilities in economic growth, in what we always talk about as a steady growth of the annual gross national product.

With other levels of government, municipal governments and provincial governments, let us all admit that the federal government obviously has responsibilities in this public sector of the economy. But we say we differ from the Liberals. In order to put their program before the people, Mr. Pearson and Mr. Lamontagne, and all those who have been speaking lately, would use such a high degree of state regulation and control that we would be living under worse than wartime conditions. We do not believe, although we are living in very tense days, this is at all the right thing to do in a democratic country. That is all there is to it.

I repeat myself and I say this. In Canada we have a civil service that is second to none and I am very proud of it, as is every other Canadian. We have a great civil service. But this is not thanks to the present Liberal opposition. When we talk about the old bureaucrats coming in and wanting to take over, we just mean that a number of years ago, in the post-war years, by political interference with the top ranks of the administration, no party in the history of this country did more than the Liberal party to change the proper balance of power within this country. We saw the unholy spectacle of senior politicians jumping into senior posts of the administration and within a very short time, as if nothing was wrong with it, they jumped right back again into the political arena. Nothing damaged the spirit of the parliamentary rights of a proper democracy in this country more than that performance.

What do we see now? I see this even in my own constituency. I see this type of bureaucrat, who was not a credit to the public affairs of this country, coming out into the partisan, political field. These are the type of men who are controlling the Liberal party today. These are the type of men who think, "Oh, the heck with the people; we will govern anyway". You remember, "Who is going to stop us?" They say, "We will tell the people what is good for them". They do not ask the people what they think they should have. They say, "They do not know what is good for them. We are going to tell them what they should have anyway". They are far removed from the people.

That is the Liberal attitude. That is the attitude today on the top rungs of the Liberal party, a party that has forgotten its lesson, a party that is still so removed from the people that it accepts the points of view of former senior bureaucrats now in the active political arena who would like to impose this whole type of regulatory state control on the Canadian people and this House of Commons. That is the sort of closure attitude that we saw in earlier days. That was the whole attitude of years gone by. But the Canadian people will not be fooled by it again.

This party has often said it was a mistake to attempt to transfer Liberal doctrine from

the old world to the new. There is one thing they have transferred. The old world Liberalism was born in Malthusian and Ricardian gloom. They have certainly transferred this gloom to the new world. They are so gloomy that they do not think the people know what is best for them. They are so gloomy that they do not think this is a united country. They are so gloomy that they do not think we have any prestige abroad. But the people know better.

Mr. Deputy Speaker: Order. I regret to inform the hon. member that his time has expired.

(Translation):

Hon. Lionel Chevrier (Laurier): Mr. Speaker, the youthful and buoyant member for Brome-Missisquoi (Mr. Grafftey) will excuse me, I trust, if I do not try to follow him in his meanderings, in his twisted arguments, and more particularly in the inconsistent views he just now expressed in his speech.

According to parliamentary usage, Mr. Speaker, I would like to tender my congratulations to the mover and seconder of the address in reply to the speech from the throne, the hon. members for Laval (Mr. Bourdages) and for Vancouver-Kingsway (Mr. Browne), for their excellent contribution to this debate.

I also want to take this opportunity and congratulate the new Minister of Mines and Technical Surveys (Mr. Flynn). We have known him at work as deputy speaker. We did not always like his decisions, but we nevertheless wish him every success in his new and important responsibilities.

As for you, Mr. Deputy Speaker, all I have to do is to extend to you the same good wishes I expressed when you were appointed Deputy Speaker of this house and to repeat what I said then: I trust that you will put into practice and apply the rules of the house in the same spirit of justice and kindness shown by the Speaker himself.

During the last session, I made an offer to the government with respect to the co-operation that the opposition was willing to extend concerning the business of the house.

I wish to renew this offer I made last April. I think every member will agree that sessions are too long and especially that sittings are also much too lengthy at the end of a session. It would definitely be possible to shorten them if we could agree on more orderly debates.

Even if an election may possibly be held this year, why not come to an agreement on the length of debates? For instance, the leader of the house could perhaps inform us of the business of the house, one week in advance, as he did on some occasions last year. In my opinion, it will be appropriate to agree on the length of debates concerning legislation, appropriations for the various departments and other measures introduced by the government. This could be subject to certain reserves I proposed during a debate we had last April. Thus, Mr. Speaker, we would avoid the rush and cramming which marks the end of every session. I hope the government will take into consideration this suggestion which is made solely for the purpose of being useful to the house.

Mr. Speaker, the speech from the throne does contain a few measures we will support, but its main characteristic is that it makes no mention of our current fundamental problems such as chronic unemployment, exports, defence and economic development.

For the past 12 months and even before that the Conservative government has lost its popularity with the public. Gallup polls and the by-elections which are held now and then are a proof of that.

(Text):

Mr. Churchill: Three by-elections in May that prove the other thing.

(Translation):

Mr. Chevrier: And that is why the Prime Minister ordered his ministers to drop everything and go after voters. It is indeed the Minister of Agriculture (Mr. Hamilton) who said so in a statement to the press. And the Prime Minister is travelling across the country with his ministers to take the people by storm for fear that the popularity of his government will decline in the public opinion.

Besides, an inquiry we have made clearly shows that, during a 73-day period after the prorogation of the last session, the Prime Minister spent less than half the time in his office.

The same goes for the other ministers who, instead of dealing with the affairs of state or the affairs of their departments, spend their time playing politics and contradicting themselves on important issues. The more they travel and the more they speak, the less the population thinks of them. They have lost the confidence of the Canadian people, and I dare say, with proof on hand, that we now have the most incompetent government that Canada has ever known since confederation. If proof be needed, here it is.

What should we think of a government which, in its haste to say that it has reached an agreement with the United States government on the greatest international hydro-electric power development project ever, signs a treaty even before having entered into an agreement with the province which owned the potential electric power, that is to say, British Columbia. This government made itself ridiculous in the eyes of the people by putting the cart before the horse.

Now, what about the Minister of Justice (Mr. Fulton) who picked a quarrel with the Secretary of the Interior of the United States, Mr. Udall, because the latter was impatient with the delays of the Canadian government in carrying out its obligations under the treaty? What a fine example the Minister of Justice has given us of the international co-operation which must exist between our two countries. Is it any wonder that we, on this side of the house, should say that we are losing prestige in the United States?

What about the Minister of Finance (Mr. Fleming) and his leader, the Prime Minister who dismissed the ex-governor of the Bank of Canada, Mr. Coyne, without even giving him an opportunity to appear before a committee of his peers of the House of Commons, and this contrary to every right mentioned in the bill of rights sponsored by the Prime Minister himself? What harm has not this domestic quarrel done to Canada's prestige abroad. And the Minister of Finance, not satisfied with having contributed to the firing of the former governor of the Bank of Canada, went to Montreal, barely a week ago, and attacked him violently.

Mr. Speaker, I prefer Mr. Coyne's word to that of the finance minister, and many citizens have the same opinion. I have only one thing to say to the minister: he debased himself, in that quarrel, and the result of the by-election in the provincial riding of Eglinton has proved it eloquently.

How touching it was, yesterday, to hear the Minister of Finance tell us about the great friendship that exists between himself and the British ministers, and about the warm and friendly relations he had with them, in connection with the entry of Great Britain into the common market.

Mr. Speaker, I give the same importance to that statement as to the praise the Minister of Finance had for the Prime Minister after the latter had tried to remove him from office.

What should we think of the contradictions in the field of defence? While at the UN the Secretary of State for External Affairs (Mr. Green) moves resolutions on disarmament and the abolition of nuclear tests, the Minister of National Defence (Mr. Harkness) spends the enormous sum af approximately $600 million to buy entirely useless armaments, unless they are equipped with nuclear warheads.

And what about the attitude taken by the Prime Minister himself in connection with the customs tariff bill last year, when he violently attacked the Senate, simply because its members refused to give discretionary powers to the Minister of National Revenue (Mr. Nowlan)? How can he reconcile such attitude with the clause of the Canadian Bill of Rights which provides for appeal against decisions rendered by a lower court?

After having threatened the Senate with calling an election on the matter, the Prime Minister had to swallow his threat, because he was afraid to face the Canadian voters.

How can we trust a government whose members do not even trust themselves, or each other?

After having liquidated Mr. Coyne, the Minister of Finance was almost liquidated himself by the Prime Minister. He himself just missed being the victim of the Prime Minister's wrath.

The Minister of Justice has also been placed on the black list and, according to press reports, it is the Secretary of State who was supposed to replace him.

The Prime Minister may go on denying those squabbles and quarrels to his heart's content, but he certainly will not deny that the information published in the press on this matter was based on ministerial indiscretions.

Do you know what came to mind when we read the information and rumours which circulated for a week all over the country? They reminded us of what happened very recently in Moscow, where there also the supreme authority of the government was being questioned, and where internal quarrels within the party were making the headlines.

How can we have confidence in a government, when several of its ministers contradict one another publicly on a matter which has become vital for this country? I refer of course to our trade policy.

The Minister of Finance says that Canada should not belong to any trade group from which the United States would be excluded. The Minister of Trade and Commerce (Mr. Hees) for his part, says that any trade alliance including the United States would be dangerous for Canada. Finally, the Associate Minister of National Defence (Mr. Sevigny)

proposes that both Americas form a vast common market. As for the speech from the throne, there is not a word about that in it. It simply states that Canada must keep away from any trade alliance and organize its trade on a multilateral basis.

Can you imagine greater confusion? How can we trust a government which behaves like that?

How can we trust a party in power when, on a matter gaining more and more momentum in Quebec, the question of separatism, the Conservative members of the same province take diametrically opposite stands? The ministers from Quebec have all made statements and denounced the idea of separatism; but the hon. member for Roberval (Mr. Tremblay) supported it time and again. Rumour even has it now that he is about to become one of the leaders of that movement in Quebec and that he would be followed by several Conservative members.

Who in this house represents the real stand of the Conservative party?

Mr. Martin (Essex East): The hon. member for Brome-Missisquoi will follow them.

Mr. Chevrier: Now, concerning the speech from the throne, I must say that it contains a sentence which, to say the least, is mysterious and becomes practically incomprehensible when compared to the stand taken by the Prime Minister in his speech before a group of Ontario Conservative women. I should like first to quote that enigmatic sentence of the speech from the throne:

> My government plans to recommend to you a number of measures that will constitute further steps in working on the purposes of the confederation and identifying more clearly the Canadian nationality in various aspects of public and business affairs.

We heard rumours before the opening of the session to the effect that the government was ready to declare "O Canada" our national anthem and to introduce bilingual cheques. But following the speech made by the Prime Minister in this house, after the Leader of the Opposition, we now know that such is not the Prime Minister's intention.

On those two matters as well as on many others, the Conservative party is quite divided. But there might be one measure that could greatly contribute to identify—and here I use the very words of the speech from the throne:

> —more clearly the Canadian nationality.

This would be to give our country a distinctive flag. But there again, after the talk given by the Prime Minister to a Conservative women's club in Ontario, it would seem that we have nothing to expect from this government.

The Prime Minister seems more interested in aggravating the division within the Canadian nation and in setting the rest of Canada against Quebec than in promoting national unity by trying to find a solution to the present crisis.

About this famous speech of last Saturday, here is what the parliamentary correspondent for *Le Devoir*, whose sympathy for the present government surely is not found wanting, had to say. The article, published in the 23rd January, 1962 issue of *Le Devoir*, is entitled:

> What is Mr. Diefenbaker driving at?
>
> Even the old guard of the Conservative party is baffled by the Prime Minister's intervention and the Quebec wing of the party admits that its leader has placed himself in an unpleasant situation from which he will have to pull himself promptly by expressing his views more clearly.

Then the article states:

> In any case, it is being said everywhere that Mr. Diefenbaker's denunciation of Mr. Pearson, in the wording reported to have been used and which has not as yet been denied, is in very bad taste. Nobody is pleased with it because a certain unfriendliness that political leaders have always tried to temper might be revived between the two ethnic groups.

Those are not my words but those of Mr. Clement Brown who, as everyone knows, has much sympathy for this government.

I fully share the views expressed in this quotation and I think that the Prime Minister owes explanations first to this house and also to the whole Canadian nation, in regard to his intentions and his stand on this matter.

Some hon. Members: Hear, hear.

Mr. Chevrier: What has the young member for Brome-Missisquoi, to say about this statement, he who always uses the expression "divide and rule"? What has he to say about the report published in *Le Devoir* and in which the leader of the nation is asked, under the circumstances to at least give some explanations? And I repeat, the Prime Minister owes the Canadian people, as well as this house, an explanation in this respect.

(Text):

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

(Translation):

Mr. Chevrier: Mr. Speaker, when we adjourned this morning, I was dealing with a subject in which, I am sure, we are all

interested. Along the same lines of thought, I should now like to refer to a speech made in Sherbrooke by the Minister of Justice.

In it, he accused the Liberal party of accentuating the differences between the English Canadians and the French Canadians. He took the Liberal party to task, and especially the Leader of the Opposition (Mr. Pearson), who, according to him, on the subject of federal-provincial relations, preached one doctrine in the province of Quebec and another one in the rest of Canada.

Here is part of an article from *Le Soleil* of November 6, 1961, which quotes the minister as follows:

> As long as people like Mr. Pearson would offer us double-dealing programs and as long as politicians like the Liberals would promise to increase federal aid when they find themselves outside Quebec and pledge that they will do away with it when they are here, we could expect serious conflicts between the two groups.

I challenge the Minister of Justice (Mr. Fulton)—I understand he intends to make a contribution to this debate—to prove that on the subject of federal-provincial relations or any other political problem, the Leader of the Opposition expressed in the province of Quebec views which were different from what he said elsewhere.

I think that the Minister of Justice is cheeky and arrogant when he says such things, especially after the speech delivered by the Prime Minister himself before a group of Conservative women at the Chateau Laurier.

I think the minister was impudent in making such remarks. One wonders if the Conservatives are getting ready to ignore the province of Quebec during the next election campaign and to follow the doctrine set forth by the Minister of Veterans Affairs (Mr. Churchill), emphasized by the Minister of Agriculture (Mr. Hamilton), in 1957 and 1958, namely that their party can form a government without the province of Quebec.

A party which acts that way, Mr. Speaker—

Mr. Balcer: You said that in 1958 and you know what were the results.

Mr. Chevrier: —undermines the very basis of confederation.

Mr. Ricard: That is what you have always done.

Mr. Pigeon: Dishonest, dishonest.

Mr. Chevrier: That is moving backwards—

Mr. Robichaud: Mr. Speaker, I rise on a question of privilege. The hon. member has just said that the member who has the floor is dishonest. Twice did he state: "You are dishonest." I ask that he withdraw his remarks.

An hon. Member: It is true.

Mr. Robichaud: The member for Joliette-L'Assomption-Montcalm—

(Text):

Mr. Speaker: Perhaps the hon. member would repeat the point of order. I did not hear the words complained of and do not know that they were recorded.

(Translation):

Mr. Robichaud: The hon. member for Joliette-L'Assomption-Montcalm has said twice that the hon. member for Laurier was dishonest and I ask him to withdraw his statement.

Mr. Chevrier: Mr. Speaker, in view of the fact that those words came from the hon. member for Joliette-L'Assomption-Montcalm, they do not disturb me at all.

(Text):

Mr. Speaker: A point of order having been raised, I think it should not be passed over too lightly. Perhaps the hon. member for Joliette-l'Assomption-Montcalm would indicate whether or not there is any substance in the accusation that is made.

(Translation):

Mr. Pigeon: The hon. member for Laurier (Mr. Chevrier) has implied that the Conservative party wanted to divide the country, which is utterly false. That is a dishonest statement from the hon. member for Laurier.

(Text):

Mr. Speaker: That was not quite the point that was made. The point was that the hon. member had accused the hon. member for Laurier (Mr. Chevrier) who had the floor of being dishonest. If such a statement was made, I am sure that the hon. member would not wish it to remain on the record.

(Translation):

Mr. Pigeon: Mr. Speaker, I shall comply with your decision and abide by standing orders.

Mr. Chevrier: I said that if the Conservative party does that, it will undermine the very basis of confederation while giving a poor example of national unity. It is just going backwards, and if it goes on in this way, I have only one thing to say, that one day it will reap what it has sown.

There is another matter mentioned in the speech from the throne, that is the establishment of a national power grid. It has been said that Ottawa will soon start negotiations with the provinces with a view to creating that power system. I wonder if that is another visionary project. But if I understand it well,

it would mean taking power from those provinces who have a great abundance of it and giving it to those who have not.

The principle of the project has perhaps some value, but the province of Quebec, which is one of the richest if not the richest, in hydroelectric power will, I am sure, think twice before accepting such an arrangement.

However, I would like to draw the Prime Minister's attention to the statement made yesterday by a government expert with regard to hydroelectric power. I am thinking of Mr. H. L. Briggs, one of the ablest men in Canada, who is member of the national energy board in Ottawa. I would like to read this statement into the official record. In a speech he made before the Engineering Institute of Canada, Mr. Briggs said this:

(Text):

That no advantage is clearly apparent to justify the construction of a trans-Canada grid system.

(Translation):

And a little farther on.

(Text):

A transmission grid system interconnecting major power resources across northern Canada, built with tapoff connections taken southward at intervals for the purpose of supplying large power consuming areas, is for economic reasons of no interest.

(Translation):

And again:

(Text):

The major objection to a national grid is that it would necessitate interruption of transmission, taking power out here and putting it in there. The only economical way to transmit power over long distances—500 miles and more—is by direct current transmission. The conversion from alternating current to direct current and back again, which would be a necessary element in a national grid, is a very expensive operation. Over long distances only continuous high value—firm power—loads are able to make a line pay off.

(Translation):

Here is the conclusion:

(Text):

So that instead of a national grid we should be directing all our efforts, especially research, towards the tapping of isolated large potential sources of hydro power in Canada.

(Translation):

Such is the opinion of the Canadian government expert, Mr. Briggs, recently appointed by the Prime Minister himself. Besides, if I understand the situation, this project is, to say the least, premature. According to the information I have at this time, this item is on the agenda of the next interprovincial conference, so that if the provinces come to an agreement, there will be no need for a federal-provincial conference.

I will now deal with another aspect of the speech from the throne.

No new measure is found in the speech from the throne to promote economic development and to fight the chronic unemployment problem which affects the country.

Since the Conservatives have been in power, the economic situation has deteriorated, which is why unemployment has taken alarming proportions. Our economic growth has not been strong enough to provide enough jobs to absorb the increase in the labour force.

In 1961, the rate of increase of our national product was only about 2 per cent, which is lower than the increase in population; whereas at the time we were in power, the increase, over a period of 11½ years, was approximately 4½ per cent. Moreover, in 1961, unemployment reached the rate of 7.2 per cent, a record that has been surpassed only under the Bennett administration.

What has happened since 1957? Our economic development has slowed down. It has become less than the population increase. Our per capita production, in real value, has diminished, so that if that development had continued at the same rate under the Conservative administration as under the Liberal administration, that is 4.5 per cent, we would have produced $11 billion more that we do now.

That is why there is so much unemployment. According to the latest statistics released by the Department of Labour, the number of unemployed stood at 413,000 in mid-December and that despite the measures of which the government boasts in the speech from the throne.

The speech refers to far reaching steps which have improved the economic situation. I say to the members of the government that, in spite of those far reaching steps, it remains true that unemployment, in mid-December, was more than double what it was when we were turned out of office in 1957.

In spite of those long range measures, the unemployment insurance fund has dwindled to less than $100 million, whereas it was close almost to $1 billion at the time we left office.

Besides, those far reaching steps mentioned in the speech from the throne make no reference at all to the structural, chronic and cyclical features of unemployment, nor to unemployment caused by automation. No steps are contemplated to check that particular aspect of unemployment.

In the 12 months from June 1960 to June 1961, 48,000 Canadians, 30,000 of whom were Canadian born, left this country for the United States. Does the government propose to solve unemployment by means of emigration?

Those far reaching measures, referred to by the government, provide nothing, or practically nothing, for the depressed areas. So far, the government policy has been practically valueless in respect of those depressed areas.

When we suggested to the house a ten point program—as mentioned by the Leader of the Opposition and other hon. members—we were held up to ridicule.

The speech from the throne simply says that, with regard to trade, the government continues to advocate multilateral exchanges. In the matter of international trade, we are now going through a troubled period, and all the government does is to blame the ministers of the British government.

The harsh, difficult and complicated competition between the United States, Canada and Great Britain with respect to the new arrangements of the common market hardly seems to have worried this government until just a few months ago.

Instead of embarking on a dangerous protectionist policy, instead of complaining, as did the Minister of Trade and Commerce and the Minister of Finance at Accra, instead of its ministers protesting and contradicting one another, the government should reconsider our trade policy in a more liberal light. It is only proper to consider the possible extension of European achievements to the Atlantic region, so that existing groups may be transformed into a wider partnership.

Just consider the course taken by the President of the United States. He suggested to congress a dynamic and interesting plan which consists in lowering their tariffs by at least 50 per cent, provided the common market countries do likewise. Those countries have not, as we have, close trade relations with Great Britain. Has any thought been given so far to the difficult position the free world will be in with respect to the countries forming the common market?

What is Canada doing now, to ensure the expansion of our trade with Europe? Nothing.

As to our policy, it is quite clear. The Leader of the Opposition has explained it in Vancouver, in 1958, and in this house. It consists of the setting up of an Atlantic economic community, of which Canada, the United States, Great Britain and other western European countries would be members.

This policy has been advocated in Canada by an ever-growing number of leading businessmen. It has been discussed at the conference of the manufacturers association, held in Halifax. It has been suggested by many Canadian businessmen, but the government does not seem to pay any attention to recommendations made to it.

Mr. Eric Kierans, president of the Montreal stock exchange and of the Canadian stock exchange strongly supported this last September 13 when he stated:

> I do not think it is possible to find a satisfactory answer to our lowered production and to unemployment without putting an end to our present conservatism . . . We must keep up with developments, get out of the rut of tradition, and be dynamic and imaginative in the face of new conditions . . . It is urgent—

He adds:

> —that Canada go ahead and join the common market.

(Text):

Mr. Speaker: Order. I am sorry to interrupt the hon. member but his time has expired.

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I had thought that perhaps as I began my remarks this afternoon I would remind the house that today is the day when we celebrate the glorious traditions of that great Scottish poet, Robbie Burns, and that I might take the liberty of introducing one or two quotations from his works into the record at this point. However, sir, as I listened to the speech which has just been delivered by the hon. member for Laurier (Mr. Chevrier) and cast my mind back over other speeches we have heard from the other side of the house, particularly from the official opposition, it occurred to me that perhaps these quotations might come more aptly after a brief review of what they have said; because never in my view, sir, has there been a clearer illustration of the depth of perception and ability to analyse character than is afforded by some of the pungent remarks of the great poet as applied to the kind of speech we have just heard. And in that connection, I was going to say that we have just listened to an unfortunate speech from the hon. member for Laurier (Mr. Chevrier), but I will not use that word because I recognize that at a time like this, with the winds of election in the air, there are certain tendencies which manifest themselves on the part of those who have previously been in office. They tend to be carried away by their own enthusiasm, perhaps by their own desperation and I put down to that tendency the kind of remark that was made by the hon. gentleman.

But there are some things he said cannot be overlooked. The first one of those with which I should deal was that part of his speech in which the hon. gentleman challenged me to give an example of an occasion where the Leader of the Opposition (Mr. Pearson) had said one thing in Quebec and another thing in other parts of Canada. Well, I do so gladly. The part of my speech in Sherbrooke to which the hon. member referred was the portion in which I was dealing particularly

with a remark made by the Leader of the Opposition. I have not got the exact text before me, but this remark has been widely quoted. It is to the effect that if a Liberal government were in office it would regard it as one of its responsibilities to bring about an end to the co-operative cost sharing programs between the dominion and the provinces. This is what the Leader of the Opposition said in the province of Quebec. I challenge him to say where he has ever said anything even remotely resembling that in any other part of Canada?

Mr. Pearson: On a point of order, Mr. Speaker; the minister has quoted me and I would ask him to give the source of the quotation or the speech I made in Quebec about which he is talking. I ask him to do that, because he has made this statement.

Mr. Fulton: I said I did not have the text before me.

Some hon. Members: Oh, oh.

Mr. Fulton: But I pointed out to the hon. gentleman that he has been widely quoted to this effect and has never before issued a denial. We recall speeches he has made on some occasions when it has been suggested that the press reports were not entirely accurate. I take it that is what he is saying now.

Mr. Pearson: May I speak to the point of order? Will the minister, not having any source on which to base the remark except some unnamed press report which he cannot identify and the date of which he cannot specify, at least say that his reference is to the speech I made in Quebec city about two months ago?

Mr. Fulton: Yes, that is it.

Mr. Pearson: We can clear this up. The speech I made in Quebec city and that part of it which dealt with the subject about which the minister is talking, was also made the week before in Winnipeg.

Some hon. Members: Hear, hear.

Mr. Fulton: I think we will have to send for the record.

Mr. Pearson: You had better.

Mr. Fulton: Then, we can set this matter straight. I hope to have it before the conclusion of my remarks.

The next thing to which the hon. member for Laurier referred and which I want to correct, was that portion of his remarks dealing with the Columbia river treaty. The hon. gentleman said in that respect that we had concluded a treaty with the United States without even arriving at any understanding with British Columbia. Everyone knows, Mr. Speaker, that this is not correct. Everyone knows that we had the most complete understanding with British Columbia. Everyone knows that we had the agreement and the consent of the British Columbia government to sign the treaty in Washington on January 17 last year. All these facts have been put on the record. The correspondence establishing these facts has been quoted in the house. Everyone knows, except apparently the hon. member for Laurier, that what has happened has been that British Columbia has changed its position. It is, therefore, completely inaccurate and reveals a prodigious lack of knowledge of the circumstances, to say what he did say, that we signed a treaty without having any understanding with British Columbia.

Now, sir, I must presume that possibly the hon. gentleman knew as little about the St. Lawrence seaway as he apparently knows about the Columbia river. This then would, of course, explain why my colleague, the Minister of Transport (Mr. Balcer) had such a mess to inherit, a mess that is still being cleared up, in terms of contract claims miscalculated and similar matters. Indeed, perhaps, it explains also why there was such a mess with respect to tolls on the Jacques Cartier bridge.

This, in turn, Mr. Speaker, brings me to the remarks of the hon. member for Laurier in which he referred to changes in this government under the present Prime Minister (Mr. Diefenbaker). Of course, the hon. gentleman must himself have poignant recollections with regard to cabinets and those who leave them as well as those who enter them, poignant recollections of the days when he came back, hat in hand, to see if he could gain readmission to a cabinet which, on an earlier occasion, he had left. However, perhaps we can overlook those things and, as I say, put them down to over-enthusiasm generated by the atmosphere in which the hon. gentleman is now living.

There was one portion of his remarks which I do not think can be overlooked and that was his direct attack on the Prime Minister with respect to Canadian unity. It was a grossly wrong thing for the hon. gentleman to do, to suggest that the Prime Minister would do anything to disrupt Canadian unity. This kind of attack is the measure of the desperation of my hon. friends opposite, for it is well known that no man in the—

Mr. Chevrier: Made in the House of Commons, not outside.

Mr. Fulton: —no man in the history of Canada has devoted himself—

Mr. Robichaud: What attack?

Mr. Speaker: Order; the minister has the floor.

Mr. Fulton: —no man has devoted himself or his whole life to the cause of unity in Canada to a greater extent than has the present Prime Minister. If my hon. friends need reminding of that fact I would point out that in 1958, in recognition of the services of this Prime Minister to the cause of Canadian unity, the Canadian people from coast to coast caused to be sent to this House of Commons in support of that Prime Minister, the largest group of members from any party in the history of this country, including the largest group of members from the province of Quebec. Certainly, it was the largest group from Quebec ever supporting this party, if not the largest group in the history of Canada supporting any party. Not all the skilful efforts of which the hon. member is capable will serve the purpose which he has in mind, that of creating a schism between the Conservative party and the province of Quebec.

Mr. Chevrier: It is there now.

Mr. Fulton: In general, as I listened to what I shall call the self-starting wrath, the sharp words and the shrill tones of the hon. member for Laurier, my mind was cast back to one of the quotations from Robbie Burns. It applies, of course, equally to all of those speeches we have heard from all members of the opposition, and will indeed hear probably more frequently in passing days. This self-cultivated wrath reminds me of the quotation from Tam O'Shanter:

> Where sits our sulky sullen dame
> Gathering her brows like gathering storm
> Nursing her wrath to keep it warm.

Then, I come to the speech delivered by the Leader of the Opposition (Mr. Pearson) in which he has himself admitted he uttered one statement which would be generally regarded as being accurate. This was the statement he made to the effect the next election will be fought on the record of the present government, a record which I regret to say he then proceeded to distort.

Indeed, I was conscious, as I am sure you were, sir, of more than passing expressions of dismay crossing the countenances of those who sit behind him when they realized the position they were being placed in, that it was going to be fought upon the record of the government; because the record of this government under our Prime Minister (Mr. Diefenbaker) is a record of greater accomplishments in more fields than in any similar period in Canadian history.

In order to see this record in proper perspective it is necessary to set it against the background of the situation which this government and its Prime Minister inherited in 1957. Here I can do no better than refer to words taken from the Montreal *Gazette* outlining the situation, as follows:

> They reached the treasury benches, after 22 years in opposition, at an awkward moment. The national economy . . . was already beginning to sputter. A downturn in employment, already apparent, was to get much worse before it changed for the better. The rate of economic expansion was slowing down almost to a crawl. They inherited a trade deficit of enormous proportions. Despite the slowdown, inflationary pressures remained disconcertingly strong . . .

This then, sir, was the situation when we assumed office. It is against that background that the record of the government under the Prime Minister has to be assessed. And that record, against that background, is outstanding. It is a record of recession halted, of recovery initiated, of expansion under way, of developments undertaken and of promises fulfilled.

When we come to compare that record with the record of our predecessors in office, and when we come to analyse that record as compared with the situation that we inherited, then indeed I can understand the embarrassment of the Leader of the Opposition (Mr. Pearson) when he is reminded of that old gang with whom he used to sit in office, with many of whom he has surrounded himself again—that same old gang. No wonder he was embarrassed the other day when the Prime Minister made some reference to the gathering at Kingston where the old gang reappeared.

Again, sir, I was reminded inescapably, in thinking of the embarrassment of the Leader of the Opposition and those who sit behind him, of another quotation from Robbie Burns, taken from "Ae Fond Kiss".

> Had we never loved sae kindly,
> Had we never loved sae blindly,
> Never met—or never parted,
> We had ne'er been broken hearted.

Here they are, as the Prime Minister pointed out, the same old gang and it is no wonder that there is embarrassment on the other side of the chamber when those personalities and that record are compared with those of the present government. But one thing must always be borne in mind in discussing a record of accomplishments: that results are only accomplished as a result of hard work and planning. They only come about as a result of team work. There is a team in the present cabinet, and a good team that works together.

Some hon. Members: Oh, oh.

Some hon. Members: Hear, hear.

Mr. Chevrier: Pulling in four directions.

Mr. Fulton: It is a team that is proud to work under a great leader such as our Prime Minister. Even our friends who jeer and scoff would not, I think, deny the fact that good results do not come about by accident. Heaven knows, they claimed enough credit for the circumstances and happenings in the years they were in office, and I can hardly think they would be unwilling to admit that these things have not ceased to come about except by hard work and planning.

The record which I want briefly to analyse today has come about as a result of intensive planning and constructive work in a number of fields. I wish to refer to a few particularly. I think for first of all of the trade and economic field where the greatest credit, under the leadership of the Prime Minister, is due to the constructive planning of the Minister of Finance (Mr. Fleming), the former minister of trade and commerce, now the Minister of Veterans Affairs (Mr. Churchill), and his successor, the present minister. I should like to mention just a few things that form part of this record.

First of all there were the initial steps. We did not let the grass grow under our feet. We called a commonwealth trade conference within a few months of taking office in 1957, and more recently there has been what has been described as the most successful trade conference in Canada's history, when all the trade commissioners of our missions abroad came back and met in conference some 1,300 Canadian businessmen. In the past year seven trade missions have been abroad and there are 20 to go within the next 12 months. The results are already beginning to become apparent in terms of our increasing trade.

Then there was a further measure in the extension of export credits. Under this government new facilities for the financing of export from Canada have been made available to the extent of $200 million, and a further increase is forecast for this year in the speech from the throne.

As a result of these efforts we can see the following as typical accomplishments. It has been made possible for Canadian firms to accept orders to supply a newsprint mill in Chile. Orders have been accepted in Canada for the production and export of 70 diesel electric engines for the Argentine, 56 diesel engines for Brazil, rails to Mexico and projects in eight other countries, for a total of $82 million, are now under consideration; and five others, for a total of $214 million, are to receive immediate study.

Other measures in this general field of the expansion of our export trade include, of course, that bold and courageous measure of the devaluation of the Canadian dollar announced by the Minister of Finance in his budget last June. I do not suppose that anybody anywhere, even in this house, on whatever side he sits, would not readily admit that this has been one of the most helpful measures in stimulating production and export from Canada.

What have been the results? The most obvious result, of course, is the reflection in the record that at the present time production is at an all time high; employment is at an all time high, and our trade deficit has been transformed from an enormous deficit into a respectable surplus.

Mr. Pearson: What about our balance of payments?

Mr. Fulton: There are forecasts made in newspapers and by economists of all shades of political opinion or leaning that in the current year Canada's gross national product will reach a level of $40 billion, an increase of 7½ per cent over last year.

My hon. friend the Leader of the Opposition boasted in the course of his speech about the average increase in the g.n.p. of 4½ per cent during the years 1945 to 1957. It would have been a miracle if they had been able to avoid an increase in the gross national product at a time when Canada, with her economy undamaged, was in a position to enjoy almost unrestricted access to the markets of Europe, not only in the provision of consumer goods but even in terms of producer goods while those shattered economies were being reconstructed.

Mr. Pearson: Have you ever heard of exchange controls?

Mr. Fulton: Those conditions were totally different from those we have faced since 1957. I should have thought therefore that the Leader of the Opposition, who claimed some desire to state matters accurately and with a sense of proportion, would have given due credit to this government for this great increase in the gross national product which is forecast for this year, bearing in mind the fact that there have been the economic difficulties, which we have shared, incidentally, with even so strong an economy as that of the United States.

Other manifestations of the success of this planning in the export field are found in the fact that a trade deficit of $713 million which we inherited in 1957 has been transformed into a modest but respectable surplus.

Turning from this brief summary of the measures taken with respect to export trade and production, may I emphasize that the government has not neglected the domestic economy. It will be appreciated that measures dealing with export credit facilities and so

on of the kind to which I have been referring are of primary interest to large manufacturing concerns engaged in the export field. But we have been conscious of our responsibility to find constructive measures to look after the needs of small and medium sized businesses as well.

Important and far reaching measures in this field have been taken under the initiative of the Minister of Finance (Mr. Fleming)—measures such as the Small Businesses Loans Act. For the first time in our history loans under government sponsorship are available to small business to a maximum amount of $25,000. As a result of the legislation it is estimated that 90 per cent of the whole field of those engaged in small business are eligible for loans of this type. The success of the measure and its soundness can be seen when we find that since the inception of this legislation no fewer than 2,737 loans to a total dollar value of $23 million had been made up to November 30, 1961.

Also in this field must be placed the changes in the Industrial Development Bank Act. As a result of the amendment which we introduced, the financial resources of that bank have been increased from $150 million to $400 million. The coverage has been extended so that instead of the facilities of the bank being available to very restricted fields of business they are now available to the whole field. Again, the results can be seen in the statistics. Comparing the number of loans made last year with the loans made in the last full year of the former administration, we find that they have risen from 232 in 1956 to 1,070 in 1961, an increase of nearly 500 per cent, and that the total of loans made up to the time the Liberals were dismissed from office was only 349 as against 1,364, the present total, representing an increase in total loans of almost 300 per cent. In terms of the annual value of loans up to 1956, the figure was $17 million. At the end of 1961 it was $71 million. We find, finally, that the total of the loans made in the 17 years of the bank's activities amounts to $320 million of which $206 million have been lent in the last four years. In other words, 55 per cent of the loans have been made in the last four years.

Mr. Speaker, that is a very brief summary of the record in this sphere of production and export and of the measures taken to provide economic stimulus. As the house and the country know, this record is matched in the field of our direct development programs where prodigious progress has been made. Time is limited and the story of our development program is too well known for it to be necessary for me to deal with it here. I should like, therefore, to pass to another phase of our record in this attempt to present a complete and rounded picture.

I wish to emphasize that, reflecting the humanitarian views of the Prime Minister (Mr. Diefenbaker) our efforts have not been limited to the field of production and physical resources. We have cultivated also, as is the duty of government, the field of social justice and of the conservation and protection of human resources. We are, therefore, able to point to a record unequalled in a similar period of Canadian history—an unequalled record of measures for reforms and improvements in the field of social justice. The years of this administration have so far seen the inauguration of a scheme of hospital insurance, an increase in every field of welfare payments both to veterans and civilians, and a tremendous record under my colleague the Minister of Public Works (Mr. Walker) in house building, urban redevelopment and slum clearance—a program which, of course, serves a dual purpose, providing as it does for the long term welfare of our citizens as well as a tremendous economic stimulus in its immediate aspects.

Of course, we do not claim that we have solved all the problems. We have never made any such claim. What we do say is that the record is one of creditable performance, and particularly creditable performance with respect to promises made. We also claim that the success of our plans and efforts is reflected in vastly improved conditions of labour and employment. Particularly is this remarkable as compared with the labour and employment situation which we inherited.

A great deal has been made and will, of course, continue to be made by members of the opposition of the unemployment situation today. Heaven knows, we do not claim to have found all the answers or to have finally solved this problem. We recognize and accept our responsibility to continue our efforts and even to increase them as forecast in the speech from the throne. But I do think it is essential that we should invite the country to view this matter in a proper perspective. In particular it is fitting that we should remind the Leader of the Opposition (Mr. Pearson) that our record with respect to unemployment in four years compares very creditably with that of the Liberal government.

Mr. Martin (Essex East): Not at all.

Mr. Fulton: That low growling bespeaks uncertainty. There is a muted and uncertain voice coming from Essex East. It will become more muted and uncertain still when the figures are placed on record.

If we take the last four years for which the opposition was responsible—it is true

I include the year 1957, because I hardly think they will claim a total lack of responsibility for the last few months of that year—we find that unemployment rose by 116,000 over that four year period 1953-1957. It is true that unemployment has risen by a few thousand more from 1957 to 1961; the total is 122,000 based on the mid-December figure of 400,000 unemployed. But when one considers the vast increase in the labour force which has taken place since 1957, and when one considers the complications of the economic recession which we inherited, we are entitled to suggest to hon. members opposite that there is scarcely cause for pride on their part—scarcely cause for the gloating in which they have been indulging when discussing the increases in unemployment since 1957. They find it convenient to forget the recession of 1954-55—a recession in the midst of prosperity—but it is healthy that they should be reminded of these things occasionally, because they are the ones who say: "Put us back in office." This same old gang which did so marvellously before is saying "Put us back in", but I think the people will remember their record too well.

The results of the measures taken in this field by the government generally and by my colleague the Minister of Labour (Mr. Starr) in particular have been that there were 65,000 more people employed in mid-December than a year ago. The unemployment rate is the lowest in any year since the year 1956, while labour income is at an all-time high.

It might be interesting in analysing these forecasts of doom and gloom to have a look at the statistics of labour income. Hon. members will find that in the last complete year when the Liberals were in office, the year 1956, labour income per man employed stood at the level of $2,666 whereas in October 1961, the last month for which I have official figures, it was at a level of $3,174. In terms of total labour income this had increased from $14,890,000,000 in 1956 to $19,642,000,000 by October 1961.

Mr. Speaker: I am sorry to interrupt the minister but he has gone beyond his time. I allowed him a little latitude because I was rather remiss with the hon. member for Laurier when he was speaking, as a result of which he had a few minutes extra.

Mr. Alan Macnaughton (Mount Royal): On rising in this rather overheated atmosphere of Scottish border warfare I am happy, Mr. Speaker, to continue the tradition of congratulating the mover, the hon. member for Laval, (Mr. Bourdages) and the seconder, the hon. member for Vancouver-Kingsway (Mr. Browne), of the address in reply to the speech from the throne. May I also say the choice of the hon. member for Pontiac-Temiscamingue (Mr. Martineau) as Deputy Speaker of the house is an excellent one, and we certainly wish him well.

Congratulations are also due to the hon. member for Quebec South (Mr. Flynn) on his appointment to the cabinet as Minister of Mines and Technical Surveys.

Canada, Mr. Speaker, is a relatively prosperous nation. Our economy has recovered some of its resilience during the past few months but that recovery has not assumed the tempo of that of our neighbour to the south. It certainly has not regained the momentum and tempo of our economy in the mid-fifties. Alongside prosperity is hardship. Regardless of which side of the house we sit, we all want a vigorous, prosperous Canada with work for all, and we want that state of affairs to exist for the long term as well as the short term.

In recent weeks, we have read glowing accounts about our economic prospects for the future. The year 1961 ended on a strong economic note. Economic recession and other signposts of danger faded into the background as the year came to a close. Now we read of predictions that our gross national product will rise by 4 per cent in 1962 against an estimated net and true increase of 1½ per cent in 1961. Our living standards remain high although we have slipped from second to third place, having been leapfrogged by Sweden. In fact I have seen some recent statistics which put us in fourth or fifth place in world ratings.

In the speech from the throne the government has announced a varied program for increasing welfare benefits, and other humanitarian policies, and the government hopes these will not impose an increased tax burden on the taxpayers. It is the government's expectation that the cost of these benefits will be absorbed by additional revenue realized by greater economic national growth, and we hear much speculation that Canada's economy will respond to the large economic gains predicted for business in the United States. On balance it is an easy and optimistic picture, but how fragile and superficial it is. When one compares last Thursday's speech from the throne with the state of the union address delivered by Mr. Kennedy early this month the result is indeed very dismal for this country. His message was a crisp, clear document listing the major problems facing the United States, and pulling no punches, while the speech from the throne was, on the other hand, filled with nebulous words and platitudinous clichés.

We still have an unemployment problem which is frightening in its dimensions, with a higher rate of unemployed than nearly any other nation in the western world. The throne speech had one short sentence on that subject:

There has been a substantial improvement since last year in the unemployment situation.

We are becoming increasingly aware that the education which would allow us to cope with our "new technology" is lagging far behind the striking advances in that technology. Our rate of economic growth has been tapering off during the last few years, and whereas the economy ought to be expanding at the rate of 6 per cent per year, our growth is barely half that amount.

As Mr. G. Arnold Hart, president of the Bank of Montreal, stated at the shareholders' annual meeting held on December 5th, 1961:

Exports... have been buoyant and spending by consumers has been rising, but private capital outlays have not recovered significantly and there has been little tendency for business inventories to rise. While we can therefore derive satisfaction from the extent of the recovery thus far—

—and this is important.

—it remains a fact that the present pace of business recovery in Canada still falls short of the rate of growth we wish to see.

In my opinion, the current short term recovery is bound to peter out unless steps are taken to bolster the long term rate of growth in the economy. There are no major capital development programs on the horizon, certainly none of the dimensions of the St. Lawrence seaway development, or the several pipe line and iron ore developments. Indeed, many of the large capital projects which have been in progress during the past few years will be completed by the end of this year. Canada needs projects of this magnitude. The iron ore developments alone represent an investment of merely $700 million, and without this investment our economy lags and stumbles along on the abyss of serious recession.

Canadians seem to be lacking strong national goals. Indeed, that is the case in my own province of Quebec where many of our best young men are once again seriously questioning the concept of confederation. A major reason for this concern is that a sizeable number of French Canadian university students are among the most enthusiastic separatist supporters. These students constitute our most precious resources for tomorrow and we ignore their arguments at Canada's peril.

In the past the communication of ideas between French and English students has been free and vigorous, and has done much to create a common awareness and pride in the unique Canadian identity. In recent years this vital communication process somehow seems to have lost its momentum but one of the ways some of this momentum could be regained would be to have many more student exchanges between the French and English speaking universities. The recent Laval conference in Quebec city held in November, is a good example of what I have in mind. We need many more meetings and conferences of this nature.

To my English speaking compatriots I say it is not enough to take the separatists with a mere shrug of the shoulders. We should seriously examine the causes of the dissatisfaction of these "angry young men". My French Canadian friends should also pay serious attention to the good will and real efforts of so many English speaking Canadians in all provinces and parties who believe that French Canadians are essential partners in the building of a great nation.

(Translation):

Mr. Speaker, I now wish to repeat in French what I have just said in English:

To my English speaking compatriots I say it is not enough to take the separatists with a mere shrug of the shoulders. We should seriously examine the causes of the dissatisfaction of these "angry young men", and my French Canadian friends should also pay serious attention to the good will and real efforts of so many English speaking Canadians in all provinces and parties who believe that French Canadians are essential partners in the building of a great nation.

(Text):

Canada seems to be losing at a frightening rate our prestige at the United Nations. In yet another area our conduct in relation to the international monetary fund is the subject of severe criticism by other countries. Somehow we seem to be out of harmony with the policies of our historic allies in America and in Britain. One can read almost daily in the press of some further deterioration of these precious relationships.

Canada above all is a trading nation. We are fifth amongst the world traders in terms of total volume, although in population we rank eighteenth in the world. There are striking developments in international trade today which will have profound implications for this country's future. Above all else, there is the dynamism of the European common market. Yet in the area of international trade Canada seems to be fighting to resist change and to preserve the status quo.

One could go on and on charting these impressions of massive challenges to this country but one factor distinguishes each of them. The dire consequences of inaction will not appear tomorrow, nor perhaps the day after. But as soon as one makes a projection

into the future it becomes very evident that Canada must begin immediately to grasp these problems at their roots.

The omissions from the throne speech are glaring. In it there is not a word about national purpose, and not a word about the problems of economic growth and financial stability. Never in the history of this land has the quality of foresight in our government and business leaders been so greatly required. In today's circumstances it is not good enough to have a government which is so constantly preoccupied with short run politics and government by newspaper headlines that there is little hope of really confronting these major problems. I think the most pertinent criticism which can be directed against the present administration is simply a failure in foresight.

This country did not reach its present position by burying its head in the sand and resisting change. In the past we have looked outward and beyond tomorrow. Today we must be searching for new directions. Since the late 1940's the concept of an Atlantic community of nations has grown slowly and steadily. Within recent years this process of growth has been rapidly increased by the European common market, and today with Britain on the verge of entry and with a forward-looking trade policy beginning to emerge out of the United States, the prospects for creating an Atlantic economic community are measurably increased.

Here is the direction in which Canada should be striving to progress. I can put the matter no more bluntly than to quote Eric Kierans, the president of the Montreal stock exchange, as reported in the *Financial Times* of October 27, 1961:

> The time to join the European common market is now... if we continue to wait and see, the opportunity of moving into this market will be lost.

As President Kennedy put it so eloquently in his state of the union address on January 11, 1962:

> The Atlantic community grows not like a volcanic mountain by one mighty explosion but like a coral reef, from the accumulated activation of all.

The Atlantic community presents us with the possibility of bringing one fifth of the population of the world into a gigantic and vigorous trading union. This type of union could be instrumental to the west in mastering our two-directional challenge, namely in the east the increasing economic potential of the Soviet union and its satellites and in the south the demands and aspirations of the newly independent countries of Africa and Asia and Latin America.

The more one contemplates the future of the cold war, the more certain it is that this war must be fought in economic terms. It is estimated that in five years time the U.S.S.R. and its satellite empire will be in a position to start large scale economic warfare. United, there is little that nations of the west cannot accomplish. Divided, and with key countries such as Canada terribly preoccupied with the short run term, we stand little chance in the face of our awesome perils.

There is no question that for Canada to enter negotiations with the European common market and eventually to align ourselves with an Atlantic economic community will demand rapid change which will bring in its train economic dislocation and some hardship in the short run. But we must be absolutely clear that our alternative, namely to drift as we are doing at present, will be fatal for the currents are running quickly, and one does not drift upstream.

It is time we came to grips with our high cost economy. Canadian producers, whether of raw materials or manufactured goods, must become competitive instead of relying on protected markets. It is time we provided new and greater incentives for small industries to extend and enlarge their economies of scale. It is time to re-examine and overhaul our outdated Canadian taxing and collecting system. New tax incentive legislation to stimulate private savings and capital investment by Canadians in this country is long overdue for there is little in the Canadian tax law to encourage the accumulation of capital by Canadians. It is time to provide better taxation incentives for business to conduct research on a much greater scale if we ever hope to be competitive in world markets. We should be using our tax system to stimulate the growth and development of our export industry, especially those export industries which offer greater opportunities for greater employment. In short, it is time to agree on the trading goals we have in mind. Nor have we yet solved the problem of assuring a satisfactory long term rate of growth for the Canadian economy.

We should make these changes now, but basic to any set of new policies there is one condition which is absolutely essential. One of the reasons for the striking economic advances in western Europe in recent years has been the ability of the different governments to induce or persuade a sense of unity of purpose and co-operation among government, management and labour, all working in harmony for the common good.

We need the same team spirit in this country, and unless we get it we shall not achieve that sense of creative purpose so vital to our national economic growth. It should be done and it must be done if we hope to remain competitive in world markets.

I fear that this present session of parliament is going to deteriorate into nerve wracking waiting until the approaching election. In this atmosphere the spirit required cannot be generated. I think it is imperative that we have the election as soon as is humanly possible so that we can begin to put this country back in the main stream of world affairs.

Mr. Thomas M. Bell (Parliamentary Secretary to the Minister of Justice): It is my intention, Mr. Speaker, during this traditional throne speech debate to mention some matters that have general maritime and particular constituency significance. They can be brought under the two subjects of power and transportation. I mention power because of the words in the throne speech with respect to a national grid and transportation because of the recent tabling of the second volume of the royal commission report on transportation. Power and transportation are the two overwhelming burdens of the maritimes and nobody suggests for one minute that they can be cured overnight. It is a process of gradual chiselling away at the small problems connected with both. By means of a little bit of history I intend to show that this government has a happy record of achievement in both these important fields.

First, may I deal with power. As every schoolboy in New Brunswick knows, the story of power in New Brunswick begins with Beechwood. The Flemming administration in an aggressive way approached a co-operative Conservative government at Ottawa and laid the basis for the initial steps toward cheaper power in New Brunswick. Moves were then made with regard to thermal power and, with joint provincial and federal co-operation, the first unit was set up at East Saint John in my constituency. To give you an idea, Mr. Speaker, just what this means to new industry, may I repeat a story—

Mr. Robichaud: Would the hon. member permit a question?

Mr. Bell (Saint John-Albert): I would prefer it if the hon. member would wait until I have finished because my time is limited. The great value of this thermal plant to our community was illustrated by an industrialist who, in announcing plans to locate industry nearby, said that while it is true that we have natural resources and a water site the thing that makes this area so much better economically than any other in Canada is the cheap available steam from the nearby thermal plant. We have some industrial plants in Saint John. I do not agree with those who say it is entirely a boom city. However, Mr. Irving and his associates have revived the industrial outlook.

We are particularly proud of the efforts he is making in shipbuilding. This industry, which had been in the doldrums and was employing only about 200 men, has now increased its employment roll to nearly 1,500. The extent of this success is measured by the fact that this year upwards of 100 new immigrants will arrive from Ireland and Scotland to assist with their skills in this industry. There is one reservation in this regard. It is the hope of many of us in Saint John that we can train local labour to fill some of these positions. While we do not object to these new immigrants and they will be welcomed in our community, we hope that between the federal and provincial governments it will be possible to arrange some method of training the unskilled and unemployed in our area as well.

The national grid mentioned in the speech from the throne will benefit greatly provinces such as New Brunswick. I understand that New Brunswick would complement both Quebec and Nova Scotia so far as power is concerned. It is true that Quebec has proceeded to make plans of its own on the south shore but experts have stated that the power produced from coal in New Brunswick can greatly assist long term plans that Quebec may have. In addition, unity with Nova Scotia under such a national grid as is envisaged by the Prime Minister (Mr. Diefenbaker) would reduce our individual operations and minimize station capacity. I sincerely hope it will be possible to arrange some co-operative scheme by way of a national grid because it would greatly assist New Brunswick in its continuing efforts to obtain the necessary cheap power.

Transportation, Mr. Speaker, is a subject that is extremely important to the port of Saint John. We have a history in this field that goes back many years, but one of the bitter blows that we received recently and which affected our port had to do with the announced intention of the Canadian Pacific Railway to discontinue their passenger sailings, that is, the white empress line, to and from Saint John during the wintertime. We were very proud of these stately ships and it is both an economic and a moral loss to us. All in the community appreciate that this has come about because of changing passenger patterns and we are prepared to attempt other approaches to obtain business. The board of trade, the labour unions and others involved in the promotion of the port are taking a sensible attitude and hoping that other forms of activity can be devised. It is expected that the export and import traffic should be at a fairly good level this season and it is

also hoped that the grain traffic will continue in a volume similar to that of the last two years.

However, Mr. Speaker, there is one note of pessimism on our horizon. I refer to the attempts to bring about winter navigation of the St. Lawrence seaway. Many feel that this is a new step but I recall that when I first came to the house I attacked the then Liberal government in my initial speech for the icebreaking activity they were carrying out on the St. Lawrence. This is not something new. It is a continuing matter and we are watching the situation with a great deal of fear and sincere apprehension.

We know that the port of Quebec authorities have recently stated that there is very little cargo for ships there in the wintertime. So far as Montreal is concerned, I should like to refer to a statement which appeared in the Montreal *Star* of January 22 last. It is in these words:

> Icebreakermen who know the meaning of frustration say Montreal will never have year-round navigation.

We also know that in an amusing way statements have been made that Three Rivers is the greatest winter port in the world. The people of Saint John are gravely concerned, and one thing that we notice now in the press and elsewhere is that the old excuse that icebreaking was necessary to prevent flooding is not even used. These attempts to open up the St. Lawrence are not viewed with any pleasure in the port of Saint John and, of course, Halifax.

Another matter that comes to mind when transportation is mentioned is the Chignecto canal. Present plans are to finish the power survey of this project and when that is completed the report will be forwarded to the government for final consideration. If the project meets the necessary requirements, then a further full-scale survey with respect to power and the industrial possibilities will be begun. I certainly am more optimistic than I ever have been about this project. I know many who were not enthusiastic initially but who now feel that if the power and industrial possibilities can be proven we will have the canal. I sincerely hope that it will be possible to approve this final survey. Men with great economic and engineering knowledge could be appointed to a full-scale commission to review the whole matter once and for all.

I now come to the report of the MacPherson royal commission on transportation which should be a great blueprint in the future for the maritimes. It is an excellent report. It will probably replace the report of the Duncan commission of 1927 which has been so often quoted. There are three sections that have reference to the maritimes and I should like to take a moment to deal with them. On page 212 restriction with respect to the Maritime Freight Rates Act is considered and the commission has this to say:

> In fact, evidence was presented to us which would indicate that the internal payments made under the act, which are paid on rail movements only, tend to inhibit the full development of alternate modes of carriage in the Atlantic region. With this contention we are in agreement.

This suggests that we should do away with all subsidization of intramaritime traffic. I personally withhold final opinion on this because there may be some carriers within the maritimes who are in a non-competitive or partially competitive position who would feel a tremendous loss if the maritime freight rate subsidy were removed. It has been mentioned that some of the coal producers would be alarmed by this move. However, Mr. Speaker, this is a new suggestion, a forward move, and something that will have to be left to the experts to comment upon.

The second recommendation in this section is contained on page 214 of the report and refers to the extension of the act. I quote:

> Recommendations have been made to us not only by the non-participating carriers but, indeed, on behalf of the shipping public of the Atlantic provinces, to have the Maritime Freight Rates Act subventions apply to all types of carriage. There are sound economic reasons to support the proposal—

I would think that this would be excellent, and I say that without any reservation. I think particularly of the sugar refinery in Saint John, which is one of the true maritime industries left, exporting into central Canada over 70 per cent of its finished product. I am sure that this proposal would meet with their approval, and I therefore commend it.

The interesting final proposal, Mr. Speaker, is not definite but gives us room for tremendous speculation as to the future. It is contained on page 218 and states:

> Should it, therefore, be deemed advisable to give special transportation assistance to the Atlantic provinces to overcome economic lag, such special assistance might well be designed to assist the movement of the products of secondary industry where it may have the greatest employment generating impact. It should be practical and administratively possible to define secondary industry for this purpose.

This brings in the secondary industry argument which we have always considered with regard to the future prospects of the Atlantic area. I feel it will be difficult to define secondary industry, but it might be possible to work this suggestion into the plans that have been put forward by the Atlantic provinces economic council recently

and also by the Atlantic premiers. The suggestion is that a capital projects commission should be set up which would investigate the feasibility of various projects that apply to the maritime provinces, and then a national development fund would be used to finance those which have possibility. This is one of the ways those secondary industry projects which are finally approved might be financed. The factor of transportation might be used as a basis for subsidization. This is a novel idea. It is something that I hope will come forward.

These are all the remarks I wish to make, Mr. Speaker. I merely wish to repeat that this government, in my honest opinion and in my frank assessment, has shown a good record of achievement in both power and transportation fields. There is a lot more to do. I suggest that one of the answers is in this capital projects commission and the national development fund. I hope that this will be kept in mind. I think we can take honest pride in what has been done by this government in every field of endeavour, but particularly in power and transportation. In the maritimes we are much the better for the leadership of the Right Hon. John Diefenbaker.

Mr. Robichaud: Will the hon. gentleman now answer my question?

Mr. Bell (Saint John-Albert): Yes.

Mr. Robichaud: The hon. member stated that the first thermal plant as a joint federal-provincial project was built at East Saint John, New Brunswick. In view of the statement made in the last session by the Minister of Northern Affairs and National Resources (Mr. Dinsdale) and the former minister of mines and technical surveys to the effect that the federal government could not participate in this plan because the plant used oil, will the hon. member inform the house as to the amount which was considered by the federal government and when it was paid?

Mr. Bell (Saint John-Albert): I simply said that the method of thermal plant assistance was set up between the provincial government and this government. It is true that there was a death-bed repentance by the former federal minister of public works; but we claim full credit, and I think honestly so, for initially setting up this plan for thermal plants. The decision to burn oil at East Saint John was a decision taken by the then government of New Brunswick, over which I had no control, and it has been verified today by the present government contrary to the promises they made during the last election.

[Mr. Bell (Saint John-Albert).]

Mr. Erhart Regier (Burnaby-Coquitlam): Mr. Speaker, before I commence the remarks I have to make this time I would, despite the expression of opinion which was exhibited last week, wish you a happy term in your new appointment as Deputy Speaker. I want to congratulate you upon your promotion from parliamentary secretary to the office of Deputy Speaker. I wish both you and the newly appointed Minister of Mines and Technical Surveys (Mr. Flynn), a very happy sojourn in office, although being a politician I hope I will be forgiven if I express the wish that your term in office might be brief.

We were all looking forward with a good deal of anticipation to the speech from the throne. I regret very much that, in the main, the speech from the throne ignores the economic health of the Canadian community. It is true there was an effort to play Santa Claus by handouts to this section or that section of the population. However, in the main, there is no recognition of the serious plight in which our economy now finds itself. I was amazed to hear our Prime Minister (Mr. Diefenbaker) say the other day, as recorded on page 87 of *Hansard*, that 75 per cent of the Canadian income tax payers are paying less today than they were when this government came into office.

I contend that this situation does not arise as a result of amendments to the Income Tax Act or a lowering of taxation levels. I contend that if his claim is accurate it is because Canadians are no longer as prosperous as they once were. Boasting of the fact that 75 per cent of the income tax payers today are paying less income tax indicates, in the light of the limited changes that have taken place in our taxation structure, that the incomes of the people have been reduced to a deplorable degree.

The economy was not really dealt with in the speech from the throne, and there is hardly any mention of the still serious problem of mass unemployment. In so far as agriculture is concerned there was what is, in effect, a handout. There was nothing for the unemployed, and in so far as the average businessman is concerned there was no hope for a growing Canadian economy. A lot has been said in recent months about the government keeping its election promises. There is one over-riding and important election promise that has yet to be fulfilled and the speech from the throne gives no indication of any intention of attempting to fulfil it, namely the promise, that as long as our present Prime Minister is prime minister no one in Canada will suffer from unemployment.

I was most amazed today when a minister of the crown referred to the activities of the government as "recession halting". That is

a new terminology in Canadian political annals and I hope the attitude of the government will be on a more optimistic and positive note in the future than merely expressing the aim and hope of being engaged in the practice of recession halting.

Many of us had expected an early election. I see little in the speech from the throne that causes me to believe that an early election is imminent. I agree with my house leader, that after a budget has been presented, as far as we are concerned an election can take place at any time. The more time the government gives us to organize across the country, naturally the happier we shall be.

Many political analysts agree with me that if an election were held very shortly it would in all likelihood result in a minority government, because no matter how you analyse the constituencies of Canada, if you give any one of the major contending parties all the benefits of the doubt you do not emerge with a clear majority for any party.

I am not particularly alarmed at this prospect. A minority government, while it results in uncomfortable situations for the government in office, often means that the common people of Canada receive great blessings. This has happened when we have had a minority government in office or a government with a very narrow majority.

We are completely confident that our hopes and expectations in an election campaign will be realized. To support our hopes we have only to look at the by-elections held last week in the province of Ontario. In all the constituencies except the two in the city of Toronto the increase in the support of our party exceeded the increase in the Liberal party support.

It is significant that in each of the five ridings the Conservatives lost by 11 or 12 per cent. However, in the three constituencies outside Toronto our gain was much greater than was the gain of the Liberal party. With regard to the two ridings in Toronto, Eglinton we lost 3 per cent, the Tories lost 12 per cent and the Liberals gained 15 per cent; and in Beaches the Tories lost 11 per cent, we gained 4 per cent and the Liberals gained 7 per cent.

How is it that in these two ridings in the city of Toronto the Liberals made gains while our gains were most modest, whereas in the other three ridings we far outstripped the Liberals? We have evidence that immediately prior to voting day in these two Toronto ridings there was, apart from the advertisement in the *Globe and Mail*, a door-to-door distribution of a leaflet which was professed to be put out by the communist party of Canada. The leaflet urged support for the New Democratic party candidate.

In addition, we have plenty of evidence that there was almost a complete house-to-house telephone canvass made in which the message was, "This is the communist party calling, and we would urge you to vote for the New Democratic party candidate". I know that the communist party in the city of Toronto does not have the resources to conduct this kind of campaign and I deliberately charge the Liberal machine of the city of Toronto with conducting this campaign and pretending that it was the communist party relaying this message to the voters in both Eglinton and Beaches.

May I assure the Liberals that if they once again undertake this below-the-belt type of campaigning we have a people's political machine, and they may well find that there will be telephone calls saying, "This is the communist party calling. We urge you to support the Liberal candidate". We can play this game as well as the Liberal party.

Mr. Brassard (Lapointe): Everybody knows the communist party does not support us.

Mr. Regier: The major issue facing our people, of course, is that of our own and in fact the survival of civilization itself. This is our first consideration. In this regard I am very happy to share the sentiments expressed by His Excellency the Governor General in the speech from the throne when the said:

> While the world outlook contains elements of continuing danger, there are some grounds for cautious optimism.

My observations at the United Nations lead me to believe that to be a most accurate assessment of the world situation as it now prevails. At the United Nations one cannot help noting how the newly emerging nations of Africa and Asia are beginning to take over. They constitute a majority of the population of the world and they have every right to exercise their influence.

We notice a growing resentment on the part of the major powers who see that their own influence is lessening. They are bitterly disappointed. They feel that the peoples of Asia and Africa are most ungrateful to them. After all, both Washington and Moscow have the basic concept that the rest of the world owes them great appreciation. The rest of the world does not share this proffered benevolency of either Moscow or Washington.

We can expect that in the months, if not in the years, ahead there is going to be a growing tendency on the part of the major powers to limit and curtail the growing power of the United Nations. I hope Canada will never support either Moscow or Washington, or General de Gaulle or any of the other major power leaders if and when they make

moves that would curtail and lessen the growing influence of the United Nations toward the cause of world peace.

I regret that Canada's contribution to world peace is not what it might be. I admire the tremendous efforts that have been made in this regard by the present Secretary of State for External Affairs (Mr. Green). I should like to repeat a plea I have made previously to him, that when he is unable to represent Canada abroad he do his best to obtain as his spokesman the best person he can get. It is hardly good enough to have ministers without portfolio, or other people who may have good intentions but who have not the ability of the minister, attempting to represent as important a country as Canada in international matters.

I have been at the United Nations for at least a limited period during each of the preceding four years. I believe that only the leader of the official opposition (Mr. Pearson) has a better record than I in this regard. I regret to note that the prestige of our country is rapidly and decidedly declining.

Mr. Churchill: Where?

Mr. Regier: At the United Nations.

Mr. Churchill: Oh, nonsense.

Mr. Regier: How can it be otherwise when we have a minister making very welcome speeches on the rostrum of the United Nations and when we have at the same time—and these people are no longer ignorant; they are not so stupid that they do not know what is happening in Canada—a Prime Minister who refuses to support publicly the attitudes expressed by the Secretary of State for External Affairs, and when we have a Minister of National Defence (Mr. Harkness) who goes out of his way to put the knife into the good expressions of Canadian attitudes that are being voiced by the Secretary of State for External Affairs?

Mr. Churchill: Utterly wrong.

Mr. Harkness: That is complete nonsense.

Mr. Regier: The Minister of National Defence is so desperate that he is appealing to Canadians in uniform to break with all tradition and to become political and to expose themselves in the battle he has waged inside the ranks of the government.

Mr. Harkness: There is no justification whatever for such a statement.

Mr. Regier: Representatives of other nations know that we are a divided house on this matter and therefore while they listen to our Secretary of State for External Affairs with great interest, while they respect him and wish him well, they doubt very much whether he is speaking for Canada because they are aware of the refusal of the Prime Minister (Mr. Diefenbaker) to support him without question; they know very well that back home we have a Minister of National Defence who is conducting an aggressive campaign in order to defeat the objectives of the Secretary of State for External Affairs.

Mr. Churchill: Will the hon. member permit a question?

Mr. Regier: My time is very limited. At the end of my speech I should be happy to deal with the hon. gentleman's question if time permits. Let us consider the attitude expressed so ably by a member of the other place who is now the deputy leader of the Canadian delegation at the United Nations. I refer to the former minister of veterans affairs. His speech on the Peking government and the possibility of its admission to the United Nations was an excellent one. Most Canadians will agree with it. He repeated almost word for word what a former leader of mine, Mr. Coldwell, said in this house roughly eight years ago, namely that we ought to recognize the regime in Peking and demand that the people of Formosa be given the right to self-determination. Well, when it came to a decision, what did the Canadian government do? It failed to follow through. It failed to support its sentiments with action and Canada continued to straddle the fence and support the policy emanating from Washington.

What about aid to underdeveloped countries? Oh, it is easy enough for us to boast that we have met every legitimate demand placed upon us by the United Nations or to point out that we are spending money on international aid which, on a per capita basis, exceeds that offered by many other nations of the western world. But in relation to our ability to render effective international aid our efforts leave much to be desired.

The Liberal policy on nuclear weapons is, I contend, no better than the policy of the government. The policy of the government is one of confusion. We are not very sure what the policy is. This, I contend, has been the deliberate intention of the present government; they want to delay any announcement of policy until after the next election.

I contend that we in Canada have nuclear weapons today but this government has not the honesty, it has not the guts, to tell the Canadian people that we have nuclear weapons and then to go out and defend its policy.

Mr. Harkness: On a point of order, Mr. Speaker, the hon. member has just made a statement which is really an echo of stories carried in newspapers to the effect that we have nuclear weapons in Canada. This was

categorically denied by the Prime Minister and by myself. There is absolutely no foundation for any statement of that nature and I would therefore ask that the hon. member withdraw the allegation that there are nuclear weapons being held in Canada at the present time.

Mr. Regier: On that point of order, the minister has no right whatever to request that I withdraw my statement. He has the privilege of calling it a false statement but I have the right to make that statement as long as I believe it to be accurate. If I may, I should like to tell the minister what leads me to make this particular statement. I have some confidence in the good intentions of our Prime Minister—more, even, it may be, than a number of his own cabinet colleagues. Last fall the Prime Minister assured this house while he was being questioned by the Leader of the Opposition on the subject of nuclear weapons that although the decision would not be subject to the consent of parliament the government would not shrink from its responsibility if and when the time for action came.

Neither the Prime Minister nor the Minister of National Defence can make me believe that if action becomes necessary, if an attack actually comes, the right hon. gentleman would then assume his responsibility and send an ox cart to the heart of the United States to take delivery of nuclear weapons and bring them up to our Bomarc base at North Bay. I am sure the Prime Minister has a greater degree of responsibility than that. The minister is now telling us that we have no nuclear weapons in Canada. I say that I believe the minister's statement is false. It could be possible that the minister himself does not even know whether or not we have nuclear weapons here.

Mr. Harkness: Mr. Speaker, the hon. member has just stated that my statement is false. It is contrary to the rules of this house to say that and I would ask you to have him withdraw it.

Mr. Regier: Once again, with regard to that point of order, I say I believe the statement of the minister to be false, and I contend I am within our rules in making that statement.

Mr. Deputy Speaker: It is contrary to the rules of this house to accuse another member of deliberately making a false statement. I do not believe that the hon. member who has the floor has indicated that a false statement was deliberately made by the minister. He could, perhaps, assure the Chair that that was not his intention.

Mr. Regier: I am only too happy to do that, Mr. Speaker. I intended my latter remarks to indicate that the possibility does enter my mind that perhaps the minister himself is unaware whether or not we actually have nuclear weapons in Canada.

Mr. Harkness: On a question of privilege, I said categorically that there are no nuclear weapons in Canada. I am, I think, in a better position than anyone in Canada to know whether or not there are. Having stated categorically that there are no nuclear weapons in Canada, for the hon. member to say that what I have said is false is not permitted by the rules and I would ask for a complete withdrawal on his part of his statement that what I have just repeated is a false statement.

Mr. Regier: If it will make the minister happy I am perfectly prepared to withdraw the statement that he has stated a falsehood. I believe that in his own mind he has not done so. But I am not bound to accept the minister's statement that there are no nuclear weapons in Canada. I have the right to my own opinion as to whether or not nuclear weapons are actually on Canadian territory at the present time. I come back again to this point. If there were not, this government would be proven to be completely irresponsible in that they had refused even to place an order for conventional weapons to supply our Bomarc missile sites.

Before concluding I should like to mention a few other problems. I hope this government, prior to holding an election, will consider its obstinate refusal to view favourably the pleas of retired civil servants. The government has gone a long way towards adjusting pensions for civil servants who will be pensioned off in the years to come. An increase was given in 1953 of 7 per cent, in 1956 of 7 per cent, in 1957 of 6 per cent and in 1960 of 6 per cent, but the government has refused to pay compensation to those civil servants already retired, many of whom are suffering severe hardship even though they know there is $1½ billion in the pension fund. They feel that some of this is rightfully theirs and they believe they ought to receive consideration.

It is also my hope that the government will "call off the dogs" in regard to so-called Chinese illegal immigrants. The government's policy in this respect is a disgraceful one. We may remember that a certain Herr Hitler, upon finding one of his officers killed by a sniper in a German occupied village, be it Russia or elsewhere, would take revenge on the village by demanding the production of the culprit within a limited number of hours, or let the village suffer the consequences. The consequences at times were a wiping out

of the whole village on the following day. Communist countries have been found guilty of using the same terror tactics but never before, to my knowledge, has a Canadian community, or a section of a Canadian community, been asked to "produce the culprit or else".

The government has dragged through the mud the good reputation of tens of thousands of loyal Canadian citizens of Chinese descent, and I very much regret that one of the members of parliament has been aggressive and active in helping to smear people of the same origin as himself.

Some hon. Members: Shame.

Mr. Regier: I have also been disgusted to read reports in Vancouver, reports on good authority, that lawyers are asking for $1,500 or $2,000 as fees in order to assist in bringing in an immigrant, while the local member of parliament has to do the leg work. The procedure is very simple but the lawyers are taking advantage of the situation and are offering protection at the rate of $55,000. While I am dealing with this subject I wonder how the search warrants are being obtained for raids on private homes, and I hope the Prime Minister will take a very careful look at some of the practices that are being carried out. I know the task is difficult, but when the R.C.M.P. and the Department of Citizenship and Immigration have a difficult task they should not resort to unheard of practices in Canada, demanding of a whole community that they produce the culprits or else suffer the consequences as a community. That practice should be terminated at a very early date.

National unity has become a topic of discussion within recent years. I come from the province of British Columbia. Down through the years we in that province have had happy associations with our French Canadian fellow citizens residing in the province of Quebec. We are not alarmed by the so-called separatist movement. We do not believe it reflects the opinion of the vast majority of the people of Quebec. However, if they want to go it alone, British Columbians will not make any effort to stop them. We shall wish them godspeed and good luck, and we shall work as neighbours with them in the future.

Mr. Cardiff: Does the hon. member speak for British Columbia?

Mr. Regier: I am speaking on my own behalf, but believe I also express the sentiment of the vast majority in the province of British Columbia.

Mr. Cardiff: That is a little better.

Mr. Regier: We have no desire to hinder or impede the aspirations of the people living in the province of Quebec. We only ask in return that our rights be respected. We, too, entered confederation upon certain terms and conditions and we have always received respect for those rights. We trust our compatriots in the province of Quebec will continue to grant respect for those rights. On this issue we share most of their sentiments in that we believe the people of each province should continue to enjoy certain basic rights that are native not only to their blood but to their tradition and choice.

Mr. Deputy Speaker: I regret to inform the hon. member that his time has expired.

Mr. Churchill: Would the hon. member answer a question, as he agreed to do?

Mr. Deputy Speaker: The hon. member's time having expired, the unanimous consent of the house would be required. Is that consent forthcoming?

Some hon. Members: Agreed.

Mr. Churchill: I should like to ask the hon. member whether he will name the countries whose representatives at the United Nations have indicated to him that Canada's prestige has been lowered? What are these communist countries?

Mr. Regier: I wish to assure the minister that I hardly ever had even a nodding acquaintance with representatives of communist countries while attending sessions of the United Nations. However, I would say that without exception all the delegates to whom I had the privilege of speaking about Canada in New York said to me that Canada's prestige, because of our lack of definite policy, has continued to decrease.

Mr. Churchill: What countries? The hon. member has not answered the question. I asked what countries are represented by these people to whom he has been talking.

Mr. Regier: I am willing to defend Canada's attitude when I am outside Canada. I am even willing to defend this government. But the minister is asking too much when he asks me to label other countries.

Mr. Churchill: Just libel Canada.

Mr. G. C. Fairfield (Portage-Neepawa): The Prime Minister stated in his speech on Tuesday that he noticed a great lack of enthusiasm on the part of the Liberal party to discuss agricultural questions when members of that party were speaking in western Canada. In fact, they seem to have left the appraisal of agricultural policy up to the farm unions and the federation of agriculture. Perhaps it is just as well. The hon. member for Essex East is not in the chamber, but I must tell him that he has not got the sympathetic ear of Canadian farmers, either in the east or the west.

I should like to deal with one item which appeared in the throne speech, and I quote:

> The success of the recent "Resources for Tomorrow" conference demonstrated the benefits of co-operation between governments in this field. My government, in consultation with the governments of the ten provinces, is examining suggestions made at that conference for co-operative measures to encourage the wise management and multiple use of Canada's natural resources.

The Prime Minister made a speech in Regina, I believe in February, 1958, in which he stated it was the intention of this party, if elected, to set up a national conference on conservation. This promise was implemented by a meeting of federal and provincial cabinet members on November 17, 1958 in order to examine ways and means of setting up such a conference.

In August of 1959 a secretariat was set up in order to determine the terms of reference. Their planning finally resulted in the conference which was held in Ottawa last October and November. I believe a summation of this conference has been distributed to the public. I do not think I anticipated these events when I made the following comments in August of 1958 as found at page 3506 of *Hansard* of that year. At that time I stated as follows:

> It seems to me that a national conservation foundation, supported financially by this government and by private enterprise, could do for Canada what similar bodies are doing for other countries, and if truly national in its representation could offer logical and much needed means of bridging the gap between the efforts of federal and provincial governments and private bodies concerned in the field of wildlife management.

On examination of this summation which I have obtained of the conference held in October and November we find some tentative recommendations which have been made. For instance, on page 2 we find the following:

> Many of the research problems would be substantially met by the adoption of the proposal of the research workshop—establishment of a renewable resources research council.

At page 5 of this summation we find the following:

> A national, interprovincial body in the resources field, perhaps a natural resources council should be established with provision for federal and provincial finance and participation, and with a staff of its own.

At page 7 of the same document we find the following:

> A national resources council should be established consisting of appointees, governmental and non-governmental, of both federal and provincial governments, whose functions would include:
>
> (a) Delineating resource regions and setting up, where considered desirable, ancillary regional resource councils crossing provincial boundaries if necessary;
>
> (b) Advising the government of Canada on national policies;
>
> (c) Suggesting to provinces programs for resource use and development;
>
> (d) Providing services such as libraries, information, research and engineering;
>
> (e) Allocating funds provided by the government of Canada to assist provinces with approved development programs.

One thing which I find is of quite a great deal of interest and which would be of great value in broadening the scope of interest in this council is to be found at page 9 of this summation where we find the following:

> To be effective, this agency should be representative of the federal and provincial governments, commercial interests, universities and associations.

The studies of the conference on water and wildlife are of most particular interest, as far as I am concerned and I think to many other communities in Manitoba and throughout Canada. I am sorry to bore the house with so many quotations but I do not think this document has been very widely read and yet it is an important document. As found at page 28 of this summation I quote these two guide lines:

> 1. A more positive stance in resource development matters is required in Canada. This is particularly so in "official circles" in Ottawa but is also true in the provinces.
>
> 2. The development and management of the water resources of Canada should be based on multi-purpose integrated planning which takes account of the needs for domestic and industrial water supply, recreation, irrigation, power, flood control, navigation, pollution abatement and other uses.

Again at page 29 we find the following, and I may say that this is a most significant paragraph as far as I can ascertain:

> There is widespread feeling that federal participation in water resource development is based on a series of ad hoc arrangements administered by several departments without any effective co-ordination between them. Legislation and administration is frequently negative rather than positive —i.e., it is designed to protect the status quo rather than to search out and encourage possibilities for a more rapid development of resources.

In this respect there is a problem that affects my riding and probably affects the whole of central Manitoba as well as the city of Winnipeg somewhat. The federal government has agreed in principle with the government of Manitoba on a system or plan of flood control of the Assiniboine river valley. This has been a great problem to that part of the country for many years. Preliminary investigations on this subject were begun in 1945 and have been continued up to this time. This entails the construction of a dam at Shellmouth and a diversion at Portage la Prairie or a dam at Holland, Manitoba. It seems now that the provincial government would rather have the diversion at Portage than the dam at Holland because of the better cost benefits of the diversion at Portage la Prairie. I have lived in this

area for some time now and there is no doubt of the necessity of control of flooding of the Assiniboine river, but, as referred to in the last paragraph which I read from the summation of the conference, I believe this is really an "ad hoc" arrangement.

Here we shall have a ditch 600 feet wide, starting at the Assiniboine river and going northward to lake Manitoba, a distance of 18 miles or 19 miles. It practically slits Canada in half. It will have seven railroad bridges and only three highway bridges across it. It is intended to carry the excess flood waters of the Assiniboine river into lake Manitoba. Those who are in authority say that this is a method of conservation of water, that they are going to store it in lake Manitoba; but as a conservation project, it seems rather odd to me, because even with fair-sized floods they admit it will raise the waters of lake Manitoba only a matter of inches. At any rate, when it reaches lake Manitoba of what use it is going to be from there on I do not know because from there most of it goes into Hudson bay and the Arctic ocean. They contemplate digging another ditch between Portage la Prairie and Winnipeg from lake Manitoba back to the Assiniboine in order to carry some water from lake Manitoba to assist Winnipeg in draining their sewage down the Assiniboine river into the Red river.

But what I fear about this diversion and I am afraid that many others in my area fear it as well—that it may fail as a flood control measure. At the lake end of the diversion the country is extremely flat for three or more miles and in fact it is about on a level with the surface of the lake. At times in the spring here, with strong north winds and when the lake is backing up, you will see shockingly great ice jams up against the south end of the lake, sometimes as high as 30 to 40 feet. When the water is starting to drain out this diversion into the lake and then strikes these dams of ice, in order to protect the community from flooding which would occur the dikes of the diversion, this would necessitate closure of the gates at the entrance of the diversion at the river. In other words, this would be a $12 million failure. I have asked engineers what they would do about it and they have said that they would go out and dynamite these ice jams that occur. I have never seen any ice jams broken up satisfactorily by dynamite.

When one considers the splitting in half of a whole community, in fact, practically the whole province, the cost of valuable farm lands for the project, the certainly doubtful water conservation benefits and, above all, the possibility of failure of the project as I have explained, one wonders whether the construction of the Holland dam, though more costly, would not in the long run be of more benefit to the community and the country. It would be a true water conservation project with satisfactory flood control as well. One difference between the two, and it is quite substantial, is that the dam is more expensive. The only other difference is that instances of the Assiniboine breaking its dikes in its lower reaches and flooding the countryside would, with the dam, occur once in 80 years while with the diversion it would be once every 144 years, if the diversion works. This is my only apprehension and it certainly has not been allayed by any studies I have made of the subject.

My second interest in the report of this conference has to do with wildlife conservation and management. We all know the history of the disappearance of the carrier pigeon which occurred in our grandfathers' day and the near extinction of the buffalo which was prevented only at the last minute. As stated in this report, wildlife is a recreational resource and should be a public responsibility. Here are some of the goals as outlined in the summation on page 32:

1. Wildlife management will continue to be primarily a public responsibility.

2. No species should be allowed to become extinct through the instrumentality of man.

3. Management practices will not be nationally uniform, but will vary with local conditions and the requirements of various jurisdictions.

4. Ethical considerations are at least as important as economic considerations in wildlife management.

5. Ideal populations of wildlife species are those that will maintain themselves without serious disturbance to their environment and satisfy the public demand for recreation. Compatibility with other interests should be sought through mutual adjustment.

6. Adequate habitat is the quantity and quality of living space that will protect the production and distribution of ideal populations.

When one examines the figures, particularly of migratory waterfowl, one sees that the hunting pressure on this species is far more than they can stand, particularly in the United States. I think many hon. members have seen the figures and there is no point in reiterating them here. Upwards of two million duck stamps are issued per year in the United States and approximately 800,000 duck shooting licences are issued in Canada. With a population estimated at possibly 35 million ducks in North America, this means a great deal of pressure.

However, let us not forget that from the point of view of the tourist industry at least this is a tremendously important recreational resource. Here we find that despite all warnings we are depleting the capital stocks of breeding birds not only by hunting but by destroying the breeding areas by uncontrolled

drainage. Despite our history of cycles of dry and wet years, this drainage has caused a permanent reduction of breeding areas, particularly in western Canada.

All of you are perhaps familiar with the results of the drought which occurred in the thirties. At that time the duck population became very dangerously low. Fortunately, people were so broke that they could not buy licences or shells to shoot ducks so there was not the same pressure on the capital breeding stock. This is not true at this time. In western Canada we seem to be entering a dry cycle and unfortunately, or possibly fortunately, because of the economic upsurge of the country at this time under the present government people are able to afford lots of ammunition and the pressure on these birds is extremely high.

Dr. Albert Hochbaum, an internationally renowned biologist, is in charge of the Delta waterfowl research station in Manitoba and he states unequivocally that the scattered small sloughs and potholes in western Canada make up in total the most important breeding grounds for ducks probably anywhere in the world. I am happy to see that there have been consultations between Canadians and their counterparts in the United States with regard to the preservation of the integrity of the remaining areas, possibly through the Agricultural Rehabilitation and Development Act in Canada. Perhaps this can be done on a co-operative basis between the United States and Canada and without embarrassment to the farming operations of the areas involved and perhaps even with some subsidization to the owners of the land in question.

We have got to understand that this is not only a national but an international question. We not only have to replace some of these breeding areas but we also have to change some of our hunting regulations. Many hunters will recall that in the past two years we have restricted the shooting of canvasback and redhead ducks because their numbers are extremely low but it requires a trained biologist to distinguish these birds even at close hand. Certainly untrained hunters, and that includes most of us, cannot recognize these birds in the air. The regulations must recognize the varying habits and reproductive abilities of different species of waterfowl. In poor years this may lead to regional limitations as a protection for those places frequented by the rarer species.

Many hunters in western Canada say, "Well, if we do not shoot them someone down the line will". There is interprovincial and interstate jealousy regarding the sharing of the waterfowl supply. Publicly sponsored shooting preserves have become a blot on the management of waterfowl in the whole of North America. The Milwaukee *Journal* of October 12, 1960, had this to say about the publicly sponsored killing of Canada geese at the Horicon wildlife refuge:

> Goose shooting at Horicon does not qualify as a sport. It is a slaughter. If this is what waterfowl refuges were created for, then we are no better than savages.

In this context we must gauge the need for the continuation of this species of wildlife against the recreational needs of the public, always remembering, of course, that the supply of waterfowl is not inexhaustible. In my opinion Canada has an opportunity to take the lead in shaping a modern plan of waterfowl management that is based on the life facts, and needs, of the different species of ducks and geese. In this way we may promote by example—we know, of course, at whom this is aimed—a pattern of wildfowl management that will influence practice and procedure in other regions of the annual range of waterfowl.

(Translation):

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, in keeping with a long established custom in this house, I should like first of all to congratulate the mover of the address, the hon. member for Laval (Mr. Bourdages) and the seconder, the hon. member for Vancouver-Kingsway (Mr. Browne). I am glad also to take this opportunity to congratulate you sincerely on your appointment to the post of Deputy Speaker and chairman of committees. We are sure you will ably fulfil your duties in this important post you will occupy during this session.

I should like also to extend my congratulations to the new Minister of Mines and Technical Surveys (Mr. Flynn).

I hope that, during this session, the new minister, the hon. member for Quebec South (Mr. Flynn), will show me the same consideration as did his predecessor.

These, Mr. Speaker, are all the bouquets I have to toss at the government, at least for the time being. I propose to find fault with the speech from the throne, as is the right and duty of any member of the opposition. However, I certainly do not propose to stoop to the level reached by the Prime Minister (Mr. Diefenbaker) last Saturday when addressing a group of Conservative ladies, here in this city, or when, during his speech on the address last Monday and Tuesday in this house he attacked certain persons.

(Text):

Mr. Speaker, I cannot allow to go unchallenged the statement made earlier this afternoon by the hon. member for Saint John-Albert (Mr. Bell) when he said that the first

project under a joint federal-provincial program for thermal power plants was the building of the East Saint John plant. Hon. members in this house know very well that statement after statement was made last year by the Minister of Northern Affairs and National Resources (Mr. Dinsdale) and the former minister of mines and technical surveys to the effect that the federal government could not contribute to the construction of the East Saint John thermal plant, because that plant was built to use oil, not coal. Furthermore, the hon. member charged that the present government of New Brunswick was not keeping its electoral promises. The facts are that tenders were called only a few weeks ago by the New Brunswick electric power commission for the construction of the first phase of a thermal power plant to be built at Grand Lake. This plant will use coal only. This plant is designed to use 100,000 tons of coal a year in order to help the coal miners of New Brunswick. One hundred thousand tons is equal to 10 per cent to 12 per cent of the total coal production of the province of New Brunswick.

We have reached the fourth day of the debate on the address in reply to the speech from the throne. This, according to the Prime Minister's (Mr. Diefenbaker) own statement was supposed to be a long one. The facts are that the speech from the throne opening the fifth session of Canada's twenty fourth parliament was somewhat shorter than the one which opened the fourth session on November 17, 1960. If the Prime Minister's statement is to be accepted, I suggest we cannot help but give some serious thought to those unconfirmed reports circulated on parliament hill on opening day to the effect that the speech from the throne had been toned down by some last minute deletions.

In other words, those social and respect-paying visits to the Prime Minister's office on the opening day, first by a group of 60 members of his party and later on by a different and smaller group, could very well have been anything but social calls or respect-paying visits. No wonder that what was intended to be a long speech from the throne became a somewhat shorter speech than last year. No wonder the customary advance copies of the throne speech for the press, radio and television were suddenly withdrawn.

As this session progresses we will be in a position to judge the sincerity of the government when it implements, through new legislation or by other means, the measures described in the speech from the throne. In reviewing briefly the speech from the throne delivered on November 17, 1960 at the opening of the fourth session of the present parliament, I noticed certain things which I feel should be brought to the attention of this house. On page 3 of *Hansard* for November 17, 1960, we read the following:

> Among other measures in the long range program, you will be requested to approve a number of major projects of national development. The largest of these will be the development of the water power on the Columbia river. Agreement has been reached with the government of the United States on a plan for the co-operative development of the use of these waters and a treaty will be submitted to you for approval in due course. You will also be asked to take the action necessary to fulfil Canada's part in implementing it.

When asked by the Leader of the Opposition (Mr. Pearson), as reported on page 16 of *Hansard* for January 19 of this year, whether it was the intention of the government to submit the Columbia river treaty to a committee of the house for examination during the present session, the Prime Minister replied that there was no intention of doing so. I ask now, how can we believe, how can we rely, on what we read in the speech from the throne under this government?

Again on the same page of *Hansard* for November 17, 1960, we find the following words:

> A bill to revise the Immigration Act will be laid before you.

Those words were read by His Excellency the Governor General in the Senate chamber. There was a solemn commitment on the part of the government to undertake to revise that very important act.

Mr. Fulton: May I ask the hon. gentleman a question?

Mr. Robichaud: When I am finished, Mr. Speaker, because my time is limited. Once again, the government shirked its responsibility, and on the second day of this session announced new immigration regulations when it had already promised to change the act and to do so with parliamentary approval.

Mr. Fulton: Does the hon. member know—

Mr. Robichaud: On the same page of *Hansard* we find this:

> Amendments to the Unemployment Insurance Act will be placed before you to safeguard the basic purpose of the act, to strengthen the fund and to correct abuses which have developed in practice.

After the longest session in Canada's history, the government did not have the courage to face a critical situation, an unavoidable situation, which it had created by its lack of policy and its mismanagement of the nation's business. This government took office in 1957 after years of progress and

growth under the previous Liberal administration. Anyone who reads the present speech from the throne cannot help but realize there is a general election in the offing in this country and that we have here a government which is still unaware of the fact this country needs a national program, a program which can step up the rate of economic expansion and minimize unemployment in this country.

The speech from the throne, as well as the speeches delivered by the mover and seconder of the address, are nothing but self-congratulatory documents—speeches congratulating the government because in December, 1961 and January, 1962 the unemployment figures are lower than for the same period last year, a period when the unemployment record was the highest in Canadian history. There is very little in the speech from the throne which could give assurance that this government is prepared to initiate at long last a policy or a program which could result in stepping up the rate of economic growth and minimize the unemployment problem.

What is there in the speech from the throne for the Atlantic provinces? What is there for these provinces which in 1961 were relatively worse off in relation to Canada as a whole than they were in 1958 or 1960? In the first 11 months of 1961, while the rest of Canada seemed to be holding its own in average unemployment, the Atlantic provinces were showing an increase of 11.7 per cent. The slow recovery of the Atlantic region is proof that something must be done for its development; some drastic measures must be introduced to launch a regional development plan calling for large scale federal assistance to local industries, and a larger public works program by the central government.

What is being done about those very important promises embodied in the 1957 Atlantic resolutions? What about resolution No. 1, which reads as follows:

> A national development program of federal assistance for developing the resources of the Atlantic provinces, having regard to their differing needs and varying financial capabilities.

What about resolution No. 2?

> Industrial decentralization by placing a more equitable share of defence contract expenditures within the Atlantic provinces by the establishment of crown corporations; and by encouraging private enterprises to locate in the area and to encourage the processing here of our natural resources as a result of special fiscal consideration.

What about resolution No. 5?

> Capital projects program to provide federal capital assistance for provincial projects designed to enlarge the basic economy of the area.

Notwithstanding the position taken by the hon. member for York-Sunbury (Mr. MacRae) in this house on January 23, Tuesday of this week, I say that those promises embodied in the Atlantic resolutions have not yet been redeemed and there is nothing in the speech from the throne which indicates that they will be honoured in the present session.

The hon. member for York-Sunbury spoke in complete contradiction of the Minister of Forestry (Mr. Fleming), who in Fredericton on October 22 last made a review of the Atlantic resolution promises and claimed that those not yet redeemed would be honoured at the next session. The hon. member for York-Sunbury gave to the federal government credit for the establishment of an electronic plant in Campbellton. The people of New Brunswick know that the plant under consideration in Campbellton, New Brunswick, is being financed by the government of the province of New Brunswick and the company's operation will be partly financed by a guaranteed loan from the province.

The hon. member for York-Sunbury has forgotten that during the Liberal administration, right in his own backyard, only 12 miles from Fredericton, the federal government spent from $60 million to $70 million for the construction of Camp Gagetown, and during those years of construction from 3,000 to 5,000 men were employed in the construction of that camp.

The hon. member, while mentioning different airports where some work has been done in recent years, seems to have forgotten Cornwallis in Nova Scotia, Greenwood and the Halifax dockyard. He seems to have forgotten the Chatham air base, St. Marguerite, the munitions depot at Renous, and again in his own constituency, the munitions depot at McGivney. He also seems to have forgotten the air base at Summerside.

There is nothing in the speech from the throne leading to the establishment of a national development fund which would result in the expansion of industrial capital in the area. Such a fund could operate jointly with provincial governments and result in the expansion of secondary industries in the Atlantic provinces. It could also take care of those capital projects which are essential and which must be undertaken if the Atlantic region is to share in the creation of lasting assets required to bring the Atlantic economy in line with that of the rest of Canada.

A situation where unemployment remains 75 per cent higher and where incomes are 40 per cent lower than the rest of Canada cannot be accepted and must not be accepted as incurable. If such countries as Britain,

Italy and Norway are able to cope, and to cope successfully, with similar situations, why should we in Canada allow such conditions to prevail?

On October 23 last the Minister of Public Works (Mr. Walker) saw fit to release a statement on the Chignecto canal. This statement, ruling out construction of this long awaited project, was based on what the minister called a special study which had indicated that it would be "very unsound economics" to proceed with the project at this time.

What is still to be found out is, what kind of study has been carried out and by whom? Everyone in this house recalls the announcement made in June, 1960 by the Minister of Forestry, then premier of New Brunswick, who stated, as reported in the *Chronicle-Herald* for June 22, 1960:

> The premier told newsmen that his government proposes to share in the payment of up to 50 per cent of the cost of a study of the feasibility of the Chignecto canal, from an engineering standpoint "in the light of modern conditions and in relation to proposed routes".
>
> He would make the offer to the federal government, which would be asked to pay the balance of the cost of the engineering study.

On the same day, June 22, 1960, as reported at page 5242 of *Hansard*, the Minister of Public Works had this to say:

> In reply to the hon. member for Charlotte, may I say that after consulting many times with Premier Hugh John Flemming, and the government of the province of New Brunswick, having undertaken to pay one half of the cost thereof the federal government has agreed to a survey being proceeded with to determine the feasibility of building the Chignecto canal.

Premier Robichaud of New Brunswick, as soon as he assumed power in New Brunswick after the June 27 election of that year, made it known in no uncertain terms that his government would honour the commitments made by the previous administration and that his government was prepared to pay one half of the cost of the Chignecto survey.

What results did we get? On October 21 last, the Prime Minister, in an interview in Fredericton stated in referring to the Chignecto survey that there would be a determination shortly.

As reported in the *Telegraph-Journal* of Monday, October 23, Mr. Diefenbaker said:

> "A very careful and comprehensive survey was undertaken to ascertain the economic possibilities" of the canal. He was unaware whether the survey had ended. When the study was complete the public works minister would give his views on the matter.

I repeat, the Prime Minister said he was unaware whether the survey had ended. Here was the Prime Minister, on Saturday evening in Fredericton unaware whether the survey had ended, and on Monday, October 23—48 hours later—the Minister of Public Works released as a shock to the entire population of the maritimes his most disappointing and unacceptable report.

Where was the survey promised prior to the June 1960 election in New Brunswick? The people of New Brunswick and Nova Scotia have a right to know what type of survey has been carried out in order to justify the minister's statement. On what basis could a cost of $142 million be determined if the promised engineering survey had not been carried out at all?

Had the Minister of Public Works and the Prime Minister already forgotten a report which was tabled in the House of Commons on January 19, 1953, part of which reads as follows:

> The commission finds that at the present the economic returns to the Canadian people on the investment in the proposed South Saskatchewan river project are not commensurate with the cost.

This, however, did not prevent the present government from signing an agreement with the province of Saskatchewan for construction of this project on July 25, 1958.

How can we believe a Prime Minister who states on October 21, at a press interview, that he was unaware that a survey had ended, when as we have every reason to believe, only a few days before, the whole matter had been discussed by the cabinet and the Minister of Public Works had been instructed to prepare a statement on the whole matter?

How can be believe the same Prime Minister when a few weeks later in Charlottetown he tried to impress his audience by declaring that the long proposed causeway to link Prince Edward Island with the mainland was economically feasible? How could he know so little about the Chignecto canal and pretend to know so much about the causeway when, according to the Minister of Public Works' own admission in this house on January 22, no official or preliminary reports had been made available to the Prime Minister prior to his visit to Charlottetown on December 6 last?

The citizens of the maritime provinces have reacted to the bombshell dropped on them by the Minister of Public Works on October 23 last. The government cannot ignore the demand of the maritimes population and the Chignecto canal must become a reality.

The Prime Minister must be reminded again and again that no public project anywhere in Canada can do as much for an area as the Chignecto project can do for the Atlantic provinces. This offhand dismissal of the whole idea is not being accepted hands down by the citizens of the maritimes, and the present government has no right to base

its appraisal on such an incomplete assessment of all factors, whether engineering or economical.

As I stated earlier, while the Canadian economy demonstrated some growth during 1961, it was not the stable and continuous growth which Canada enjoyed from 1950 to 1957. While during these years the gross national product increased at an average rate of 5.6 per cent annually, the facts are that since this government took office the average increase has been less than 1½ per cent annually.

What has been the performance of the Atlantic provinces in this supposedly booming year of 1961? According to statements which we hear every day in this house coming from the government side, we must accept it as a satisfactory situation. I have here a report produced by the Atlantic provinces economic council dated January, 1962, and this report gives a summary of the performance of the Atlantic region. Population increased by 1.8 per cent. Well, the federal government cannot take credit for that, I am sure. The labour force went up by 4.4 per cent. Here again, no credit can be taken by the government. It is true that employment itself increased by 3.6 per cent, but, at the same time, unemployment went up by 11.7 per cent during the period. Is that a satisfactory situation?

Mr. Bell (Saint John-Albert): Premier Robichaud thinks things are good.

Mr. Robichaud: Indeed, if it were not for the foresight and the action of the provincial government of New Brunswick, in the Atlantic provinces, unemployment would be up by 14 or 15 per cent.

Mr. Stewart: Nonsense. Give the figures.

Mr. Robichaud: I am giving the figures. These figures have been produced as a result of a survey made by APEC. Farm cash income, down 5.8 per cent as compared with 1960; fish landings, down 6.6 per cent; pulpwood, down 28.7 per cent.

Mr. Stewart: Why didn't you set the price a little higher? That is up to the provincial government.

Mr. Robichaud: Ask the Minister of Forestry what he did on that matter when he was premier of New Brunswick. He was there for eight years. He had plenty of time to do it. Perhaps for the same reason as was stated earlier by the hon. member for Saint John-Albert—he had no responsibility. When it was decided that oil would be used in the East Saint John thermal plant, who was responsible for the decision?

All the hon. member for Saint John-Albert had to do was to turn to his colleague, the Minister of Forestry, sitting two seats away from him, and ask him why.

To continue the report: coal, down 18.2 per cent—

Mr. Stewart: Read the rest of the figures —the ones further on.

Mr. Robichaud: I will. Manufacturing shipments, no change; housing construction, up 5.8 per cent. Here I would say that the federal government may take some credit. Building permits, up 16.3 per cent. Well, the federal government can certainly take no credit for that. Retail sales, up 1.2 per cent. They had to show an increase because the population had increased by 1.8 per cent. New car sales, 6.4 per cent.

Mr. Horner (Acadia): Up.

Mr. Robichaud: Yes, but that is no help to the economy of New Brunswick or the Atlantic provinces.

The decline in Atlantic income derived from our primary industries such as farming, mining, forestry and fisheries is significant indeed. It is true that due to the foresight of our provincial governments, particularly in the province of New Brunswick, some action has in recent months been taken which leaves us with hopeful signs for the future. The facts are, however, that nowhere in the speech from the throne can we find any reference, any hope that this government will contribute or is prepared to contribute to the development of our resources in the Atlantic provinces having regard to their differing needs and varying financial capabilities.

I have on the order paper a resolution which calls for urgent consideration of the advisability of establishing an Atlantic provinces capital investment fund for the purpose of financing large projects essential to further economic development of the primary industries in these provinces. Such a fund, together with special low rate capital loans, provided by Ottawa for new industries, would result in promoting industrial development in the Atlantic area.

Nothing in the speech from the throne gives the least hope that the government intends to introduce measures which would create conditions to attract capital into the development of our national resources. The first and most effective measure to be connected with the establishment of a capital investment fund should be a provision for federal tax concessions to industries now established and willing to establish themselves in the Atlantic area.

There is an urgent need for such extraordinary measures in the Atlantic region,

but the time has come for extraordinary national measures to make it possible for our area to participate equally and properly in the fundamental principle which led to confederation 95 years ago.

(Translation):

Not only has the speech from the throne ignored the urgent needs of a baffled people, but one wonders if the government of the day is not more interested in luring the electors than in trying to remedy the alarming conditions which face the Canadian people at the outset of this new year.

In spite of an accumulation of successive deficits which total over $2 billion, of the depletion of the unemployment insurance fund in which there was $900 million, the present government, in the four and a half years it has been in power, has been unable to ensure in Canada the progress, prosperity and prestige enjoyed by our country under the previous Liberal governments of Sir Wilfrid Laurier, the Right Hon. William Lyon Mackenzie King and the Right Hon. Louis St. Laurent—

Mr. Speaker: I wish to remind the hon. member that his time has expired.

(Text):

Hon. Gordon Churchill (Minister of Veterans Affairs): It is customary in a great many debates for hon. members to rise and say they have no intention of participating but are encouraged to do so by what has been said by a previous speaker. That, sir, is the situation under which I enter this debate, not only because of what was said by the hon. member for Gloucester (Mr. Robichaud) but because of statements made by the hon. member for Burnaby-Coquitlam (Mr. Regier), the hon. member for Vancouver East (Mr. Winch), and the Leader of the Opposition (Mr. Pearson).

The speech we have just heard ended on a note presently being sounded by many prominent members of the opposition about an alleged decline in Canada's prestige throughout the world. Statements like that cannot be allowed to go without question, and I intend to deal with the matter. Just a few minutes ago we heard the hon. member for Burnaby-Coquitlam talking about his experience at the United Nations. It seems that everybody who goes to the United Nations becomes an expert on that great world organization. The hon. member told us about conversations he had down there with people who expressed dislike for Canada's policy and for Canada itself. Apparently he agreed with those statements.

[Mr. Robichaud.]

When I asked him to name the countries whose representatives made such remarks, he declined to do so. He said everyone with whom he talked at the United Nations expressed dislike for Canada's policy, but he failed to name a single representative or country. He himself was quite prepared to downgrade Canada, and to proclaim in the House of Commons that in his opinion, and that of some of his dubious friends at the United Nations, Canada's prestige is not as high as it used to be. I repeat he did not name a single one of those representatives.

Some hon. Members: Shame.

Mr. Churchill: Yesterday the hon. member for Vancouver East, also speaking about his experience with the United Nations—he in his own opinion being another expert with regard to that organization—said as reported in *Hansard* at page 168:

> —one of the greatest heartbreaks of my life is to see the way in which this government has brought Canada into international disrepute and made her the laughingstock of the nations of the world.

Now, sir, some of the best representatives in the House of Commons come from the great province of British Columbia. These two gentlemen represent the constituencies I have mentioned, but there are other representatives of that great province in this house and I do not know a single person in British Columbia who would downgrade Canada in the way these gentlemen did yesterday and today.

Some hon. Members: Hear, hear.

Mr. Churchill: That is not in the tradition of British Columbia, a province which has been in the forefront of activities aimed at national unity and keeping the prestige of Canada high throughout the world. I regret that the province should now, through the mouths of these two representatives, be disturbed, as we are disturbed, over expressions which would lead to the discredit of our great country. Of course the stage was set a few days ago by none other than the Leader of the Opposition who, with all the experience he has had as a former secretary of state for external affairs, and with his experience in international affairs, went so far as to lend the weight of his influence to downgrading Canada, and engaged in casting aspersions at the present Secretary of State for External Affairs. He set the tone and lesser lights followed it, but none of these gentlemen represent the opinion of Canadians. They are so far removed from the people that they have lost touch with the opinion of Canadians across the country.

One of the best representatives in the government at present is our esteemed colleague and long-time member of the House of Commons, the Secretary of State for External Affairs. He is the type of representative, who along with others from that great province, established the reputation of British Columbia in the House of Commons. He has been in the house since 1935 and was one of its most effective members during all the years he sat on the opposition benches. He is a man dedicated to the task of maintaining Canada's proud name in the international realm. He is dedicated to the pursuit of peace and the people of Canada recognize that and pay tribute to him for the great leadership he is showing in a very difficult sphere. He is struggling for peace.

An hon. Member: It is a pity his party would not follow suit.

Mr. Churchill: His party is right behind him in his efforts. The Secretary of State for External Affairs is struggling to achieve disarmament. We all know the history of the world during the last 30 or 40 years and the great difficulty there has been in maintaining peace, difficulty negotiating with communist countries, and difficulty pertaining to attempts to achieve disarmament. Yet, in the face of all the disappointments he has had throughout his lifetime, he is carrying a torch in this great endeavour to maintain peace in the world and to effect disarmament.

What man could pursue a greater cause in the face of the disappointment of earlier years? In spite of that the Leader of the Opposition, who served in the capacity of secretary of state for external affairs, attemps to discredit the present occupant of that office and, to my great regret, both inside and outside the house lends the weight of his experience and authority to suggest that Canada's influence in world affairs had decreased, the inference being that when he was secretary of state for external affairs Canada's international status was never greater.

I well remember the late Gordon Graydon, the former member for Peel, being our spokesman on external affairs, and the close co-operation that existed between the opposition and the government in the field of international affairs. The late Mr. Graydon supported the then secretary of state for external affairs, realizing the difficulties of his position and realizing that, for the benefit of Canada's stature in the world, the Canadian parliament should present a united front. That situation prevailed until the Suez crisis in 1956 when the then secretary of state for external affairs was not at his best. I will not recite the situation that prevailed in those days. I offered criticism, as did others of the action of our then secretary of state for external affairs. However, we did not downgrade Canada. We did not say that Canada's international reputation was destroyed because of the mistakes he made during that crisis. We pointed out those mistakes but we did not downgrade our own country.

Similarly, Mr. Speaker, Canada's stature in international affairs has never been higher than it is under the leadership of the greatest prime minister of our day, namely, the present Prime Minister. Who, among the leaders of the world, had the courage at the United Nations a year ago to stand up and lay before the United Nations and the world the situation with regard to Russia and the falseness of the Russian position in pretending that it is not an imperialist power and that it is not subjugating nations which have come within its sphere of influence? It was our Prime Minister who did that and he received world acclaim for so doing. I submit, Mr. Speaker, that Canada's stature in world affairs has not been diminished one iota, since this government took office.

Mr. Chevrier: It has been diminished.

Mr. Churchill: It now stands high among the nations of the world. Who are these people who are condemning Canada at the United Nations? A great many members of the House of Commons have travelled widely around the world. Every one of them, when he comes back home, tells of the great acclaim that is accorded Canada by people in countries of the world. Who are these representatives at the United Nations, these unnamed people, who are decrying Canada? I suspect it is some of the people who go down there from the New Democratic party—the old and defunct C.C.F. party—who have been decrying Canada and then that somebody perhaps has agreed with them, thinking they represent Canada.

Mr. Winch: Ask the Secretary of State for External Affairs.

Mr. Churchill: They are not good representatives of Canada abroad. I know that you yourself, Mr. Speaker, have travelled very widely. I suggest that if you go to any country in the world, outside of the iron curtain countries, you will find that the name of Canada is held in the greatest esteem and for very good reasons. There is no obligation undertaken by Canada under the United Nations that she has not fulfilled. I ask hon. gentlemen opposite this: Have you already forgotten the

war in Korea when Canadian soldiers, airmen and representatives of the navy played their full part? Have you already forgotten our troops who are in the Gaza strip between Israel and Egypt and who have been there in rotation for years performing their duty in behalf of maintaining peace? Have you already forgotten our men who are in constant danger in the Congo? Have you forgotten our men who have been standing guard in Europe for so many years?

Canada has been playing her part in all international affairs where assistance has been required of a military nature and has similarly played her part where assistance has been required on the economic plane. Canada has never failed to pay her share of the cost of the United Nations, has never failed to respond to requests for food for the underdeveloped countries, has never declined to assist the various other operations conducted by United Nations bodies, whether it is with regard to medical care, health education or providing educational opportunities.

There is no field in which Canada has not been playing her part internationally. We are one of the leading members of NATO, an organization which is set up and maintained in order to preserve our freedom. I may mention the Colombo plan. My hon. friends opposite can share with us in any credit that is due Canada under the Colombo plan and I may say that a great deal of credit is due. We co-operated with them in days gone by when they proposed appropriations for the Colombo plan and they have co-operated with us similarly. Under the Colombo plan Canada has played her full part with other nations of the world in assisting underdeveloped countries.

Just a year ago I had the good fortune to be in India at the official opening of the Canada-India atomic reactor in Bombay. Full praise was given to Canada's assistance in that operation by Prime Minister Nehru, by representatives of his government and by the people who were assembled there on that occasion. I had the good fortune to go into the state of Madras where, under the Colombo plan, Canadians and Indian engineers and the people of India have constructed great hydroelectric works. The reception afforded our party is almost beyond description.

We travelled through some 15 to 20 Indian villages in the state of Madras, and at every village there was an arch expressing welcome to the Canadian representatives. At every village the villagers turned out to shout again and again, "Canada", "Canada". Thousands of people in that area know Canada and know what Canada has done. Ten thousand of them worked on the dams and on the works in that Kundah project. The word "Canada" is there on large boards. It is inscribed permanently on bronze plaques in buildings that have been erected at the power stations. The people of the province of Madras who worked on the dam and those who are benefiting from the electric power supply know the word "Canada", are happy to meet Canadians and speak highly of Canada.

The same is true in Pakistan. One of the finest hydroelectric developments in southern Asia is at Warsak. The great dam was built there by Canadian engineers and skilled Canadian technicians, with the assistance of the people of Pakistan themselves. It is a great monument to Canada's efforts to assist an underdeveloped nation. The people of Pakistan, from President Ayub Khan down, could not fully express their appreciation of all that Canada has done. You cannot tell me that Canada's name is not held high in India and Pakistan. There is no discrediting of Canada in those two countries.

The same is true in Europe. Not a country in western Europe has anything but good to say with regard to Canada. Canada is known in western Europe. There is the friendliest feeling for Canada in western Europe. You have only to go to France, Belgium or Holland, as I have done as the representative of the government on trade matters or with regard to the Canadian wheat board or as the representative of the government to attend memorial services at Vimy Ridge or at the cemeteries in Belgium and Holland, to find out that this is so. Irrespective of the particular field of endeavour that one represents, I have found nothing but respect and praise for Canada and an understanding of Canada which the people of these countries find it difficult to express.

You cannot tell me that Canada's name is not held in high regard in these countries. France, Belgium and Holland have not forgotten the contribution Canada has made in two wars. These things remain in the hearts of these people and, although there may be the odd criticism here and there of some action, basically the people of these countries have nothing but the highest regard for Canada and the Canadian people. On some other occasion I hope to inform the House of Commons of the great respect, care and attention which the people of these three countries that I have mentioned pay to the sacrifices made by Canadians in both world wars.

I put it to my friends here in the House of Commons that these reports about Canada's name being held in low regard at the United Nations have no resemblance to the truth whatsoever. Two or three disgruntled representatives of some country at the United Nations find fault with Canada over something that may have happened but that does not represent the feeling of the people of these various countries. All you have to do is to visit the countries to see what the reaction of the people is. Canada's name is held in high regard.

Canada is respected for several reasons. As I have said, Canada has played its full part with respect to its obligations under the United Nations and has been playing its full part in NATO all these years. Canada is recognized as a country that has no selfish ambitions for power and as one which makes no demands upon other nations. Canada is recognized as a generous country that is ready to help, ready to exchange students, ready to exchange technicians, ready to send doctors, nurses, scientists and engineers abroad to assist in countries which are developing.

Where in all of that is disrespect for Canada? Where in all of that has Canada lost her prestige throughout the world? She has not lost it at all. It is higher than it has ever been and those people in this country who pose as experts on the United Nations, as experts with regard to the opinion of people in other countries, are not fooling anyone at all. They do not know what the situation is in other countries of the world. Let them stand up here and tell us what country of the world is finding fault with Canada other than some iron curtain country. I challenge them to put the names of these countries before us. Oh, no, they do not want to embarrass those dubious friends of theirs at the United Nations. They do not want to get themselves involved in some way with some peculiar type somewhere in the world. Oh, no. They will not disclose that information. They will decry Canada. Canada is this, that and the other thing. Canada's reputation, they tell us, has been destroyed.

Not one word of that is true. Canada's reputation is high and Canada's prestige throughout the world will be retained under the leadership of the Prime Minister and the Secretary of State for External Affairs. Foreign observers see in this country a stability of government which they did not recognize in 1956. They see a stability of government which they recognize as good for this country and good for the world.

Within the British commonwealth of nations Canada's position is still the same and still assured. There is the greatest friendliness within that organization. Our party has always stood for a strong commonwealth of nations. Not so with the Liberal party across the way. I pointed out in 1956 that I had gone to the trouble of reading all the speeches that had been made by the Leader of the Opposition when he was secretary of state for external affairs. I kept notes of all his speeches to see on what occasions he had mentioned the commonwealth. He almost never mentioned the commonwealth or did so simply by way of an aside if there was to be a commonwealth conference. I examined all his speeches in the House of Commons and he never mentioned the commonwealth unless in response to a question. That represents the stand of the Liberal party with regard to the commonwealth. On the other hand, our party has always been strongly in favour of a strong commonwealth. We have supported the commonwealth and will continue to do so.

I hope there will be an end in this debate or subsequently to these disparaging remarks about Canada's prestige in world affairs, these disparaging remarks with regard to one of the greatest members of the House of Commons, the Secretary of State for External Affairs, these disparaging remarks with regard to the leadership afforded by the Prime Minister. This is not the way in which Canada should present herself to the world. We can have all sorts of differences locally—and there are plenty of things on which to differ—but as far as world opinion and international affairs are concerned we should show a united front. That is not being done at the present time in the light of what was said by the Leader of the Opposition just the other day. This is not good for Canada and no one knows better than the Leader of the Opposition the damage that can be done to Canada's reputation abroad by statements such as he made in the house the other day.

I suggest that if the name of Canada, a country which has given so much in the past and which is continuing to make such a great contribution at the present time, is to be maintained as it has been down through the years responsible Canadians must not downgrade our country. For a small country Canada has made proportionately as great a sacrifice during the last 40 years as any country in the world and Canada is prepared to continue in all the efforts that are now being made to defend ourselves in case of necessity, to negotiate in order to preserve the peace and to lend all our efforts for the preservation of peace. Let us not forget our young men scattered throughout the world at the present time

and our young men in Canada who are standing on guard hour after hour in case of necessity. Canada is playing her full part and Canada's name should be praised and not downgraded in the House of Commons.

(Translation):

Mr. Augustin Brassard (Lapointe): Mr. Speaker, I should like to join those who spoke before me in congratulating the hon. member for Laval (Mr. Bourdages) and the hon. member for Vancouver-Kingsway (Mr. Browne) for the honour the government has bestowed upon them by asking them to be respectively the mover and seconder of the address in reply to the speech from the throne.

I also wish to commend the Deputy Speaker, the hon. member for Pontiac-Temiscamingue (Mr. Martineau). I wish him success in his new office. We hope, or rather we are sure, that he will perform his duties with understanding, judgment and impartiality, the more so since he will have you as an example, Mr. Speaker.

The hon. member for Quebec South (Mr. Flynn) also deserves congratulations for having been appointed Minister of Mines and Technical Surveys. I wish him and the new parliamentary secretary to the Prime Minister, the hon. member for St. Hyacinthe-Bagot (Mr. Ricard), every success.

Like most hon. members, I have followed closely the speech which was delivered by the leader of the Liberal party (Mr. Pearson) during the debate on the speech from the throne, and I wish to say that seldom have I been as proud to be a Liberal and to have for a leader the hon. member who spoke in this house on Monday. I know that those feelings are fully shared by my colleagues.

His comments reflected common sense and moderation. In spite of what the hon. members opposite may think, he has drawn a true picture of the state of affairs in Canada, and that is why his speech hurt. It did indeed, and the pain it caused may be seen in the fact that there were 74 interruptions by seven ministers, not to mention those by private members.

Do you know who won the competition? None other than that man of a few words, the Minister of Finance (Mr. Fleming). No, it was not the Prime Minister. I would say that it was on the part of the minister, a bit of a revenge for the 1956 convention. The Minister of Finance (Mr. Fleming) was well ahead with 46 interruptions.

Would you like a few samples from his stock of words, which paint him better than the best painter's brush could? Here are a few:

[Mr. Churchill.]

Nonsense ... That is not true ... Silly talk ... Lies ... Foolish statement ... Misrepresentation ...

And there are many others. All on fields in which, it must be agreed, the Minister of Finance (Mr. Fleming) has long shown himself to be an expert.

The runner-up was the Right Hon. Prime Minister with seven interruptions. He surely deserves a certificate of merit. His interruptions, although not so numerous, were a little more insidious.

I am sure it will not please my hon. friend the Minister of Justice (Mr. Fulton) nor the Minister of Veterans Affairs (Mr. Churchill) to hear me quote some statements and some views set forth by the Prime Minister, and then say what I think of such behaviour in this house.

On page 39 of *Hansard* for January 22, 1962, concerning a copy of the speech from the throne sent to the Leader of the Opposition, the Prime Minister stated:

The hon. member received a confidential copy in the usual way. Did he respect the confidentiality of that document, or did he make it available to others?

Mr. Speaker, whoever has carefully studied the two men since 1957 cannot but wonder that such a question should have been put by the one who has asked it. He should be the last one to doubt somebody else's statements, especially those made by the leader of the Liberal party, who is known as a man who has always shown the highest regard for truth and the oath of office.

And what are we to think of that other inference, of a truly personal nature, made by the Prime Minister, and which I find on page 73 of *Hansard*:

I want to tell the hon. gentleman this: that is one subject, softness on communism, that he should not discuss.

The Prime Minister was indeed justified in stating during that same speech:

To increase one's own prestige in one's eyes it is not necessary to run down another.

He was really speaking "ex cathedra" when he talked that way.

The third one was the Minister of Justice (Mr. Fulton) with his six interruptions. I must admit that they were slightly less numerous than those he made during the famous pipe line debate.

Fourth in line, the Minister of Trade and Commerce (Mr. Hees) with four.

Ex-aequo in fifth place, the Secretary of State for External Affairs (Mr. Green) and the Minister of Public Works (Mr. Walker).

Now, sixth in line, we see the Minister of National Revenue (Mr. Nowlan) to whom we shall give a consolation prize.

No doubt, the speech of the Leader of the Opposition helped further aggravate the almost open sores of the present administration.

When I speak in this way, it is not because I am despaired, as I am not here to get myself re-elected, no more than are my fellow members.

We are here to look after the public's interests and, from time to time, pass judgment on those of our colleagues who, in our modest opinion, may show weaknesses in carrying out their responsibilities.

I not only listened to the Prime Minister but also admired the elegance and flourish of his gesture which invariably precedes his word in the best tradition of ancient Roman rhetors. I also admired the varied modulations which expressed a great variety of feelings, and I also admired the great ease with which he passed from the angriest to the most amiable tones.

Mr. Speaker, may I point out that it is six o'clock?

(Text):

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

(Translation):

Mr. Brassard (Lapointe): Mr. Speaker, before the house recessed I was saying how much I had admired the performance of the Prime Minister of Canada (Mr. Diefenbaker) last Tuesday, during the debate on the address in reply.

Neither should I fail to mention his great facility for resorting to irony and sarcasm and more particularly the incredible agility of his gyrations among his colleagues, an agitation which gives us an almost unique and priceless opportunity to study him in profile, from the back, in full face, half and three-quarter face, from half back, semi-profile, in short in all the postures very peculiar to him and which command the required applause.

I also discovered in him a rather doubtful talent for imitation. Perhaps, because of one of his more recent statements he has, this year, dropped one of his favorite practices which consisted in looking straight and insistently at the press gallery. If he ever decided to make peace with the newspapermen and return to his old love, I should hardly be surprised if he became one day the half pleased recipient of an "Oscar" which, for him, would admirably replace the Nobel prize for peace.

His final scene in the last parliament, in 1958, had left me dumbfounded. However, I realized that having been some time in opposition he could not be expected to forsake his true nature so soon. The display and the show we witnessed Tuesday morning appalled me. Just to think that the performer was the first citizen of my country. If he ever deigned to glance at my humble remarks, he would doubtless have a taste of the medicine so often served to others, and if he realized what others feel under such attacks, he might perhaps decide to leave to others in his party who are well qualified in this field and able to do that kind of work such a task unbecoming to the Prime Minister of my country.

Conservative members complain when we speak like this. Some of them—not all of them fortunately—speak one way and act differently.

If we challenge what they do or what they say, we are accused of working against national unity. Mr. Speaker, this way of thinking reminds me of the strong protests of somebody who would try to strangle you and be shocked if you shouted for help.

Mr. Speaker, shortly before the six o'clock recess, the hon. member for Burnaby-Coquitlam (Mr. Regier) charged the Liberal party with using mean and fraudulent tactics in the election held in two neighbouring ridings of Toronto. He contended that the Liberal party was responsible for the distribution of certain communist pamphlets. He also asserted in a most assured way that the electoral machinery of the Liberal party in Toronto had been used to make phone calls, ostensibly from representatives of the communist party, to advise voters to cast their ballots for the candidates of the new party.

The hon. member stated moreover that this campaign could not have been the work of the communists, on the ground that they did not have the required means. Now—I am only addressing myself to the hon. member for Burnaby-Coquitlam—I must say I am rather surprised to find him so well informed on the financial status of the communist party, for it is usually a well kept secret.

I might add, again for the benefit of the hon. member for Burnaby-Coquitlam, that I would not be surprised if the communist party really conducted this base attack. We have a party called the social credit rally which has a 15-minute television program every week during 26 weeks a year, and to my knowledge, that party has no official source of income.

Furthermore—and here I am slightly hesitant—I would not be surprised if the communist party had succeeded in these attacks, for to whoever has read the article published by Mr. Tim Buck in the May-June 1961 issue of "The Marxist Review" under the title "The New Party and our Responsibilities", the doings of certain communists are no surprise. Mr. Speaker, it would be dishonest on my part to infer, by quoting that article, that the new party is a communist party. It would be dishonest, unskillful and, in my opinion, wrong. But this does not mean that the communists do not have their reasons for granting them their support.

I should like to quote two paragraphs from pages 20 and 21 of this pamphlet:

(Text):

Politically the New party is the fruit of more than 40 years of interest and experimentation by the labour movement, ripened by the pressure of the great historic changes taking place in the world—

To those good comrades who ask: "Why should we devote energy to help the New party, why not concentrate upon building our own?" The answer is that there is no solid wall between positive activity in your union or any other organization on behalf of the New party and the building of our own; on the contrary, the two tasks supplement each other.

(Translation):

That is what Mr. Buck thinks and those are the instructions he gave his supporters and members of the party.

Once again, I do not claim the new party to be a communistic party but, in view of the formal accusations put forward by the hon. member of Burnaby-Coquitlam, I thought that I could be as bold as he was and return the stone he threw on our side.

That does not keep me from having great respect for a great many members of the new party who are sincere, just as I know that others have slipped in by opportunism, because they were disgusted or merely trying to attain prominence.

To come back to the speech from the throne, Mr. Speaker, like some of my colleagues, I do not deny that it contains some good news, such as the increase in old age pensions and perhaps certain other measures.

The Prime Minister recalled with emotion what he has done in the field of old age pensions. But how could pensions be increased, Mr. Speaker, if not because the law was already on the statute books of Canada and it had been put there by the previous administration.

The Conservative members have only to weigh the introduction of that social measure, they only have to weigh the amount which we have paid and compare it with the $19 which the Conservative party has added to those pensions, and I hope that they will be objective enough in their judgment to realize where the greater share of the credit belongs.

Besides, it is no secret that in the past the Conservatives have never entirely approved the very principle of allowances, of social measures. Do you want examples? Concerning old age pension only, Mr. C. H. Cahan, ex-member for St. Lawrence-St. George, said this on April 15, 1926, page 2470 of *Hansard*:

(Text):

It assumes that at 70 years of age every Canadian who has lived in this country for 20 years is utterly incapacitated to earn a living. I object to that assumption, because actual incapacity should be the fundamental principle embodied in any pension scheme.

At page 2474 of *Hansard* of April 15, 1926, Right Hon. Arthur Meighen said:

Now aside from the fact that the provinces have taken care of this situation, this being their responsibility under the constitution, this legislation is not framed on the principle of disability at all. As a matter of fact there is no principle of any kind underlying it.

(Translation):

No wonder, Mr. Speaker, that Mr. King's bill on old age pensions was nipped in the bud in the Senate by a Conservative majority.

(Text):

Mr. Ricard: Not by the Conservatives. Can I ask a question—

(Translation):

Mr. Brassard (Lapointe): You may ask questions when I am finished. I shall then be glad to answer them. Besides, I figure that the parliamentary secretary to the Prime Minister is entitled to participate in the debate and that he may take the floor without having to ask permission of his whip.

Another thing, Mr. Speaker, about those increases. When the Liberal party increased old age pensions—I am not discussing the amount—at the same time, it increased family allowances. The cost of living index at the time was 74.6 while it is now 129.2.

Why have family allowances been completely ignored? Why have they not been extended in the case of the 16 to 18 year-old age group, as the Liberal party had suggested, and as it is still proposing to do?

When the Liberal party introduced the Family Allowances Act, the Conservative party raised an outcry of protest. Neither insults nor, in some cases, abuse were spared.

No wonder there is no mention of them in the speech from the throne. I could quote a few arguments put forward by those who spoke against the family allowances bill at

the time. Mr. John Bracken, a prominent figure, called it a "national bribe" as reported in *Hansard* for June 27, 1944.

According to the official report for June 27, 1944, Mr. Graydon stated:

(Text):

Liberal party politics.

(Translation):

According to page 5577 of *Hansard* of July 31, 1944, Mr. H. A. Bruce said this:

(Text):

I am not intimidated by the threat the Prime Minister has made and I now declare that this measure is a bribe of the most brazen character, made chiefly to one province and paid for by the taxes of the rest.

(Translation):

According to page 5365 of *Hansard* of July 25, 1944, the same Mr. Bruce said this:

Surely there must be some alternative to baby bonuses which will preserve the sanctity of the family, maintain a normal birth rate and place the major economic burden of raising children where it belongs, upon the parents.

(Translation):

Is it surprising that there should be so much confusion in the name, ideas, speeches and actions of some Conservatives.

First of all, the name breeds confusion. Mr. Speaker, how can one explain that in 1962, the party is still called both progressive and conservative at the same time? It is a paradox, better still, an anachronism, in this day and age, when our society undergoes basic transformation, when we have to adapt to changing conditions not only in Canada and in the United States, but throughout the world, including Asia and Africa.

Here is further proof that they often contradict themselves. My leader has often been accused of seldom speaking about the commonwealth. Mr. Lester B. Pearson was quoted; I think it was by the Minister of Veterans Affairs, when he spoke of the Suez crisis which occurred when the Liberal government was in power. In my opinion, the role played by the present Leader of the Opposition during the dark days of the Suez crisis, when he was secretary of state for external affairs, is much more glorious than the one which the Prime Minister of Canada played at the commonwealth prime ministers' conference in London where one could see the beginning of the disintegration of the commonwealth, because of the way he acted at that conference.

(Text):

Mr. McGee: Will the hon. member permit a question?

Mr. Brassard (Lapointe): When I have finished my speech I shall be delighted to answer any questions.

(Translation):

Furthermore, Mr. Speaker, I believe that the role played by the former secretary of state for external affairs in the Suez crisis amounted to preserving world peace. That is why he received the Nobel prize for peace.

And here is another example of the contradictions that are to be found between the speeches and the deeds. Everything has been said in this house and outside about the bill of rights. We adopted it. And then what happened? The first government to transgress it is the very same one who introduced the bill, by condemning a man without giving him a hearing.

Again last Tuesday, none other than the Prime Minister himself violated the principles of the bill, in this very house, in accusing former servants of this country, persons who were absent, laying serious charges against them, when he knew full well that they could not come here to defend themselves before him and to refute his charges.

(Text):

Mr. Henderson: Watch your blood pressure.

(Translation):

Mr. Brassard (Lapointe): Mr. Speaker, I shall follow the advice that the hon. member for Cariboo (Mr. Henderson) has just given me.

I should now like to deal with a problem affecting my section of the country, since it has to do with agriculture. We have had a problem, which I have submitted to the Minister of Agriculture (Mr. Hamilton), and I must thank him very much, because he did deal with it. Besides, my colleagues of the other three constituencies in the area had done the same thing. He dealt with it and applied the solution that the federation of the C.F.U. of the four constituencies of my area were asking for. Unfortunately, and it is not the minister's fault, a sharp rise in the price of grain followed closely the adjustment, so that the grants were almost wiped out. But just the same, I would point out that the Minister of Agriculture did act upon the request of our C.F.U.

Today, we have a problem in the cheese industry. This is a part of the economy of my area which is very important and remunerative for our farmers, because our production reaches from 8 to 10 million pounds a year. That whole production is sold to one purchaser through the Saguenay Co-Operative Chain.

Since April 1, 1961, the curing of cheese was fixed at 10 to 21 days in the curing rooms. The curing temperature was formerly from 45 to 50 degrees, because the purchaser acquiring the whole production of cheese of the area himself asked that the cheese be kept

at temperatures varying from 45 to 50 degrees. The federal government has put the minimum at 58 degrees. That is a general rule, but our cheese is of a rather special kind, in that it is not produced in round cheese, as the Canadian cheddar, but in squares, and the greater part of it is not exported.

This is causing great damage to our industry, in that we are losing points and money on the grading of our product.

The 21-day regulations are also slightly surprising, because recently the period of curing was set at 10 days in the plans supplied by the federal government for the construction of curing houses in Canada.

The Catholic Farmers' Union has held talks with the Minister of Agriculture, who replied that he was under the impression that those regulations had been applied in our province—

(Text):

Mr. Churchill: Your time is up.

(Translation):

Mr. Brassard (Lapointe): Because—

(Text):

Mr. Denis: Thank you, Mr. Speaker.

(Translation):

Mr. Brassard (Lapointe): The minister replied that he was under the impression that the officials of the department had come to an agreement with the representatives of the C.F.U.

I would ask the minister to send a representative in our province to hold further discussions with the directors of the C.F.U. in an attempt to find a solution to this problem.

Mr. Speaker, before concluding my remarks, I should like to relate a minor but very pleasant incident which occurred at the beginning of January 1961 when my leader was the guest of an international conference of newspaper circulation managers. At the guest table were seated the chairman and all the delegates to the conference as well as the president of the Montreal *Gazette*. My leader was introduced by Mr. Colvey, the *Gazette's* circulation manager.

I should like to tell the house how he introduced my leader, as reported by the press the following day.

(Text):

Mr. Pearson, he said, is the greatest citizen of this country and the future prime minister of Canada.

The article continued:

The *Gazette* being known as a Conservative paper and Mr. Charles H. Peters, president of the council of the administration of this daily, being at the head table, this political allusion did not pass without creating a stir among the guests.

[Mr. Brassard (Lapointe).]

(Translation):

It is easily understandable.

Mr. Speaker, I hope it will not be too long before the government gives us an opportunity to go to the country, let the Canadian people have a look at the balance sheet of the nation and see Mr. Colvey's so accurate prophecy come true.

(Text):

Mr. McGee: The hon. member indicated he would reply to questions at the conclusion of his speech. Does he now agree to do so?

Mr. Brassard (Lapointe): Surely.

Mr. McGee: The hon. member made a statement a few moments ago that the Prime Minister had presided over the beginning of the dissolution of the commonwealth. I would like either the hon. member, or his leader who is in the house, to say whether he agrees or disagrees with the Prime Minister's stand on apartheid at that conference, instead of trying to weasle out of the question as he did.

(Translation):

Mr. Brassard (Lapointe): I will not ask my leader to answer in my name. All I can say is that the hon. member did not hear me or did not understand. I said that the way he proceeded at the last conference of the commonwealth prime ministers had been disastrous since we had lost a member of the commonwealth. I was speaking about the way he proceeded.

Mr. Chevrier: He does not understand anything.

(Text):

Mr. W. H. A. Thomas (Middlesex West): I appreciate very much the privilege of participating in this debate on the address in reply to the speech from the throne which was very ably moved and seconded by the hon. members for Laval (Mr. Bourdages) and Vancouver-Kingsway (Mr. Browne). In doing so I wish to go on record as supporting the address and most emphatically opposing the amendments to it.

I have listened with interest to the remarks of the last speaker, the hon. member for Lapointe (Mr. Brassard), and cannot help but feel he was a bit unfair—indeed it might be put more strongly than that—in accusing the government of using old age security allowances, old age assistance, blindness and disability allowances in such a way as to favour one section of the country as against another. In fact I do not see how he can contribute to unity and good fellowship in all parts of the country by accusing the government of that kind of conduct.

The contents of the speech from the throne indicate that the government will continue

to serve the best interests of all sections of the country, fairly and impartially. Recent articles in the press divulged that the government has fulfilled some 50 or 52 of 60 promises it made, and the measures outlined in the speech from the throne will certainly contribute very substantially to the fulfilment of election promises made in the 1957 and 1958 campaigns. The promise made to our elder citizens that their interests would not be forgotten will be fulfilled by the proposed increase of $10 per month in old age security. Recipients of old age assistance and the blind and disabled will be provided with similar increases by co-operation between the federal and provincial governments. The needs of the farmers will be met by acreage payments in the prairie regions and in other parts of Canada through price supports and stabilization of prices under the Agricultural Stabilization Act.

Of exceptional importance, I believe, is the information contained in the throne speech that conferences are being held with the various provinces concerning the amendment of our Canadian constitution and that agreement has been reached on methods for accomplishing this objective in our own Canadian parliament. Ratification by the provincial governments of this agreement will mark the completion of Canadian sovereignty.

Of paramount importance also is the intention of Canada to begin the construction of an electric power grid from coast to coast. The Minister of Northern Affairs and National Resources (Mr. Dinsdale) told the northern development conference in Edmonton last fall that whereas only 22 per cent of Eskimo children had access to school in 1957, 60 per cent of these children are now in school, some of them already in high school, and that by 1968 there will be a place in a classroom for every child of school age in the Northwest Territories. The territories themselves are also being reorganized and will have two districts instead of one. The two councils should be able to give closer attention to the needs of these areas.

These developments clearly show that the present government has in no way lost the vision which the people of Canada found so appealing in 1957 and 1958 and which I would predict they will again find appealing in 1962.

We have some national problems which are grave, and there are plenty of these problems. Time does not permit us to cover much of this ground in the time allowed to each member who speaks. However, there is one of these problems to which I should like to draw some attention and on which I should like to make some comment. It concerns our butter surplus.

I should like to commend the hon. member for Leeds (Mr. Matheson) for the efforts he put forth in order to bring before the members of this house and the country generally the situation as he sees it. He put a great deal of effort into the preparation of his speech. I cannot agree with the solution he suggested. However, he put on the record a great deal of information.

One of the promises which helped to elect this government was that the farmers of Canada should have a greater share of the national income. With this objective in view the government three years ago increased the support price of butter from 58 cents to 64 cents per pound. Because our housewives are buying 25 cent margarine instead of 64 cent butter, we have accumulated upwards of 200 million pounds of butter which is surplus to our requirements. Because butter tends to deteriorate if kept too long in storage, the surplus has proven to be an embarrassment to all concerned. There is no market for this surplus outside of Canada. Butter is available on the world market at half the price of our product. We therefore cannot dispose of it outside of our own country without being accused of dumping. It is doubtful that the domestic market can be expanded to an appreciable extent as margarine has been found to be a generally accepted substitute and it is available at less than half the price of butter.

I do not suppose that any agricultural problem has been given as much consideration during the last two years as has the matter of this butter surplus. I wish to commend the Minister of Agriculture (Mr. Hamilton) and the government for one thing in particular, namely for not reducing the support price on butter. I submit that we cannot assist the farmers to obtain a greater share of the national income, as was promised, by cutting the prices of their products; nor do I believe that cutting the price of butter would contribute any appreciable relief to the present situation. The farmer's expenses are inclined to be rigid; and if the price of his product is cut, his only alternative is to produce more units in order to satisfy his requirements. The solution lies rather in diverting our small surplus production of milk to other uses, preferably for use as a supplement in the rations of hogs, poultry and veal calves. This diversion should take place before the milk leaves the farm and before the costs of transportation, processing and other possible costs are added to it.

The Dairy Council of Canada, at their recent convention, requested the government to solve this problem by subsidizing the consumer price of butter to the extent of 14

cents per pound while maintaining the support price at its present level of 64 cents per pound. The weakness that I see in this proposal is that we have no reasonable assurance that the remedy would be successful. It was found by Great Britain and the Netherlands some years ago, when they were faced with a similar problem of the substitution of margarine for butter by housewives, that the buying habits of the consumer were not changed until the price of butter was dropped almost to the level of the price of margarine. I think this situation could be explained by the fact that those people who find margarine an acceptable substitute at a cost of 25 cents per pound are not likely to return to their butter-buying habits until butter can be purchased for approximately the same price. It would likely be found that the purchasers of margarine are those who are most influenced by economic considerations and they are not likely to purchase butter unless the prices are nearly comparable. The proposed subsidy of 14 cents per pound would therefore probably not result in diminishing our butter surplus.

Again, I think another weakness in this proposal is that the domestic market is still consuming 75 per cent of all the butter produced in Canada. Therefore only 25 per cent of our production is surplus. If a general subsidy of 14 cents per pound were applied, we would be subsidizing unnecessarily three pounds out of every four pounds. We would therefore be paying for four pounds or 56 cents per pound for every pound of surplus that we disposed of. I submit, Mr. Speaker, that this is too expensive a way to solve the problem.

I would suggest that the solution lies in the more complete organization of the dairy industry under marketing boards through which the producers themselves can take the necessary steps to prevent the very small surplus of milk production from exerting undue pressure on the price structure of the dairy industry. Milk is the most universal agricultural product in Canada. Production of many farm products is confined to limited areas but milk is produced almost everywhere. When the dairy industry is depressed the whole of our economy suffers.

No matter how we undertake to support the dairy industry, the surplus will find its way to the point of support. We tried skim milk powder and got into trouble with the surplus. We changed from skim milk powder to butter and we are now in trouble with that. There is no solution to this problem, I submit, except to control the surplus at its source and have the milk fed to farm animals before it gets into the channels of trade.

[Mr. Thomas.]

Press reports indicate that the provinces of Ontario and Quebec are at present reviewing their milk marketing legislation with a view to more effective organization of the dairy industry in these provinces and if these areas, where about 70 per cent of the milk in Canada is produced, are brought under closer control then a small surplus should not be permitted to depress dairy prices, and if the milk can be fed to livestock on the farm the build-up in our dairy butter surplus should be stopped. Nothing effective can be done until the build-up in our butter surplus is stopped. If this can be done, I think it will not be too difficult then to find ways and means of disposing of the surplus. We can dispose of it as we disposed of our canned pork. Coupons could be given to those whose incomes are small or who are in receipt of welfare payments of various kinds so that they could buy butter at a price level the same as that of margarine. There are other ways that it could be done but I can see no point in speculating about ways and means of getting rid of our surplus until we have managed to find some means of stopping the build-up of that surplus.

I should like to place on the record several comments concerning the dairy problem made by leaders in the industry at the dairy farmers of Canada convention held in Montreal last week. Mr. Frank E. Lutes, president of the dairy farmers of Canada, is reported in the *Western Producer* of January 25, 1962, as having stated that there is an urgent need for a national milk plan. He is quoted as follows:

> Lest there be those who fear the element of compulsion suggestive in board marketing, let us consider that the lack of direction and planning in our national production is posing some real compulsion at the moment—compulsion to reduced income on the part of a great number of dairymen.

Mr. Romeo Martin, general manager of the Quebec co-operative fédérée, said that a steady increase in butter production since 1949 has been coupled with a steady decline in domestic consumption and that more margarine and other substitutes were being consumed each year and many Canadians were cutting down on fats in their diets. He said that better equilibrium between production and consumption is essential but should not be sought by lowering production since present farm cash income is much too low.

Again we come back to the point I have tried to make that farm requirements are quite rigid and that if you cut the price of the farmer's product his only recourse is to increase the number of units produced which only adds to the problem. Mr. Martin is reported as having said that Canada's butter surplus had no outlet in foreign trade and

that world prices were much below Canadian prices. The convention recommended that quotas be established on fluid milk production, based on each producer's production in 1961.

It is quite evident from the news reports of that convention last week that the dairy farmers themselves are quite aware of the need for some measure of production management and with both producers and governments working on the problem it will likely only be a matter of time until a solution will be found which will prevent the accumulation of unmanageable surpluses of butter. Then the butter surplus can be reduced without unduly disturbing the price structure of the industry.

I wish to refer to one or two other matters before I conclude. The various programs of the federal government for the promotion of better living conditions in all parts of Canada have proved to be beneficial to my constituency of Middlesex West. Our appreciation goes out to the government for the new post office building now under construction in the village of Delaware. Plans are being prepared also for new public buildings at the village of Lucan and the town of Strathroy. The government is participating with the province of Ontario in the construction of the $1 million Parkhill dam. Seventy five per cent of the cost of a new $1 million extension to the Strathroy district collegiate institute to serve as a composite high school will be contributed by the federal government. The province will contribute the other 25 per cent. A grant of $243,000 was made toward the construction cost of the new Strathroy hospital.

Numerous extensions to rural mail routes have been allowed to provide better service to individuals who have been able to qualify under the revised regulations. House to house service in the suburban areas of the city of London has been widely extended as suburban development has proceeded. The Hutton side-road overpass has been completed and the grade crossing fund under the control of the federal government stands ready to contribute 50 per cent of the cost of the new four-lane overpass on Oxford street west as soon as the city has completed its plans for the rebuilding of that traffic artery.

I feel that this opportunity should not pass without mention of the fact that the Queen's guineas prize for baby beef steers has been won by junior farmers in Middlesex county for the past three years in succession. This award was instituted many years ago and was called the King's guineas, and it has now become a special prize of $250 awarded to the boy or girl who feeds and exhibits the best baby beef animal from the province of Ontario at the royal winter fair at Toronto. This year the winner was Shirley Earley of R.R. No. 3, Kerwood; the 1960 winner was John Giles of Glencoe and the 1959 winner was another of the Earley clan, a cousin of the 1961 winner. This is an indication of the very fine type of livestock that is produced in Middlesex county. Full credit must be given also to the young people concerned for their skill in feeding, training and exhibiting these animals.

In conclusion, Mr. Speaker, I feel very strongly that this government has done a wonderful job of administering the affairs of this country. I feel that they continue to offer the best hope for continuing government of the people, by the people and for the people of Canada.

Mr. Matheson: Will the hon. member permit a question? Will he kindly indicate whether or not he agrees with my recommendation of January 23 that the government grant an immediate consumer subsidy of 14 cents per pound on butter so that butter can be put on the market at 50 cents a pound without loss to the producer?

Mr. Thomas: Mr. Speaker, I think if the hon. member for Leeds (Mr. Matheson) will read what I said in *Hansard* he will find my answer fully given.

Mr. Matheson: Do you agree or not agree?

Some hon. Members: Read his speech.

Mr. Thomas: I think there are better means of dealing with the problem than by paying a subsidy as the hon. member has suggested.

Mr. Hubert Badanai (Fort William): It is a great privilege, Mr. Speaker, to speak on the address in reply to the speech from the throne. I shall use the limited time at my disposal to make a few observations and suggestions which, without being presumptuous, I submit with sincerity.

First of all, sir, I should like to congratulate you upon your appointment as Deputy Speaker. I have had occasion to observe your fine qualities and friendly attitude which will ensure success in the discharge of your duties. I should like also to congratulate the new Minister of Mines and Technical Surveys (Mr. Flynn). If he achieves the success in his new position that he achieved as deputy speaker during the past session, then I am sure he will enjoy a successful term of office. Congratulations are also in order for the mover (Mr. Bourdages) and seconder (Mr. Browne, Vancouver-Kingsway) of the address who, in their speeches—leaving the usual exaggerations aside—displayed remarkable enthusiasm for what the throne speech contained. Under the circumstances, this is quite understandable.

It is true that the speech contains some measures which are good and will receive unanimous support, such as the legislation designed to increase old age pensions, pensions for the blind and disabled. We were happy to learn that steps will be taken to set up a contributory old age pension system, conditional upon the agreement of the provinces. I am informed, however, that this procedure is not really necessary. The government has the power to introduce a contributory system of old age pensions without an amendment to the British North America Act. The appointment of an independent commission to recommend the redistribution of federal constituencies is to be commended, provided the members of this commission are selected after consultation with, and approval of, the leaders of the opposition parties. The increase in federal loans to finance exports and the broadening of the Small Businesses Loans Act are measures that may well prove beneficial and will receive my support, as will the increase in assistance for the education of the children of the war dead.

The rest of the speech, however, with the exception of a few localized handouts, contained vague and guarded references of a miscellaneous nature but nothing tangible was said about a national program which would expand our economy and create employment on a mass scale. The unemployment picture may be a little better than it was, but not much. I have just received a report from a northwestern Ontario commission on unemployment. This is a body of men appointed by the mayors of the two lakehead cities, Fort William and Port Arthur, to study the problem and offer suggestions. Questionnaires were mailed to more than 3,000 employers and 120 union locals. Replies were received from 800 employers and 27,000 men and women. These have disclosed that since 1956 the rate of growth of jobs at the lakehead has slowed down to one third of the rate in the early 1950's.

Between 1951 and 1961 the twin city population increased by over 25,000 persons. The population has increased by 35 per cent and the job opportunities have increased by only 12 per cent. The immediate result has been an increase in unemployment, particularly since 1956. There are about three times as many unemployed registered now as there were in 1951. The population increase will have its major effect on employment between 1963 and 1970. By 1966, there will be at least 1,200 extra job seekers coming from the schools each year. Our present rate of increase in jobs is about half the required rate. It is therefore obvious that the government must make strenuous efforts to meet the employment problems in the years ahead.

[Mr. Badanai.]

While I have been pointing out the difficulties in the district of Thunder bay, everyone knows that this is also the experience of other regions in Canada.

The establishment of a capital development fund to encourage secondary industries and employment-creating development, administered by an advisory council, should be considered at the earliest possible moment; and the establishment of a municipal road fund to enable municipalities to expand their services and construct much needed municipal projects.

The ultimate goal of the government should be a real attempt to enact employment policies which would provide the substance of the right of the individual to be gainfully employed. The country is tired of hearing the recital of accomplishments of the government, many of which in reality are without substance. There is recovery, but there are no jobs.

No doubt many hon. members have had the experience of talking with a jobless man, married and with a family. You get the feeling that he has to fight a constant battle against frustration. Unemployment insurance benefits may keep his body together, but what will keep his spirits up? All around him are the signs of a prosperous community and he is not a part of it; and those who are part of it, in some instances treat him as a second-class citizen. Unemployment is by far the biggest problem facing the government today.

The kind of economic policies and measures contemplated in the speech from the throne will not provide enough jobs in the time immediately ahead. It is a serious and complex problem which requires a concentrated effort in relation to which, up to the present, the government has given no dynamic leadership.

The speech from the throne did mention the need to bolster the unemployment insurance fund. The special committee appointed by the government to study the question of the unemployment insurance fund—which has taken a severe beating in the past four years—will in its own good time recommend some action which I hope will place the fund on a sound actuarial basis.

The latest figures of the dominion bureau of statistics seem to show that seasonal unemployment is something apart from chronic unemployment. It is an occurrence even in good times of full or near full employment and should be dealt with separately.

During a debate on a supply motion last September I suggested that consideration be given to setting up two separate systems with separate funds, one for seasonal workers and the other for non-seasonal workers. The latter would serve non-seasonal workers, which was

the purpose for which the unemployment insurance fund was originally established—to give regular workers some degree of protection against loss of wages during brief periods of unemployment. Such a fund should be as nearly self-sustaining as possible, while the other fund would require substantial annual assistance from the government. Since a decision has to be made soon and the day of decision cannot be postponed indefinitely, I sincerely trust that this suggestion will be considered by the government.

On various occasions I brought to the attention of the government the need for a new building to house the unemployment insurance commission in Fort William, which now occupies an old, dilapidated building which served as a post office 30 years ago when the city had less than half the population it has today. The Minister of Labour (Mr. Starr) is well aware of the situation and agreed with me that a new building is the only solution to this problem.

Recently it has been suggested that the present post office, which cannot be operated efficiently any longer—it lacks space to take care of the present postal traffic, which has increased threefold, and the location does not lend itself to an extension of facilities or an extension of the building—should be relocated and a new post office should be built on the site where we hoped the new unemployment office would be constructed, moving the present unemployment insurance commission office to the present post office building. This move would be history repeating itself 30 years after a similar move had been made. This is not my suggestion; it has been suggested to me by those in authority in our city. However, I do suggest that the departments concerned give serious consideration to these matters as soon as possible.

Another project that would help the employment situation in the lakehead area and which could be undertaken as a winter works project, is the extension of the existing administration building at the lakehead airport and the extension of airfield runways to handle Vanguards and other large aircraft.

The Minister of Transport (Mr. Balcer) announced in Fort William last April that $650,000 had been appropriated by the Department of Public Works for this project. Only a few days ago I was advised that treasury board, in their review of the Department of Transport estimates, had reduced to $100,000 the amount for this project to commence late in the fall. This is a disappointment, as we anticipated that the work on the airport would mean employment for several hundred men early in the year.

The speech from the throne differed very little from the generalities of other throne speeches to which I have had the privilege of listening. One passage which struck me as being rather obscure was the reference to the promotion of world trade. It did not propose any line of action. It simply said something to the effect that the government has renewed promises of support for the expansion of world trade on a multilateral, non-discriminatory basis. What does it all mean?

What a contrast to President Kennedy's recent state of the union message in which the president spelled out the movement of the United States toward lower tariffs and freer trade. Had the speech from the throne contained a proposal that the government would examine the possibility of joining the European common market, and given assurance of definite action for early implementation leading up to the immediate creation of a north Atlantic market with the gradual removal of tariff barriers on either side of the Atlantic, such a statement would have been something to cheer. But instead there was a sidestepping of the issue with meaningless phraseology.

Mr. McGee: Would the hon. member permit a question?

Mr. Badanai: After I am through, I will. Japan has adopted a program of trade liberalization affecting many products which we export, notably, pulp and paper packing, wrapping and tissue paper, nickel and forest products and many other items. This liberalization of trade has been made possible by the high international evaluation of Japan's ability for expansive economic growth. Where does our Canadian prospect for economic growth stand? The prospect for economic expansion is closely related to the tariff and tax policies of the government which, so far, have been deficient in the real promotion of trade, and no amount of genial salesmanship on the part of the Minister of Trade and Commerce (Mr. Hees) can be regarded as an effective substitute.

There is not a word in the speech from the throne about trade with Latin America, though this is a field which, if properly cultivated, might yield an appreciable harvest. It has been reported that Dr. Raul Prebisch, executive secretary of the United Nations economic commission for Latin America, expressed the thought that the people of Latin America would welcome the opportunity of sitting round the conference table with Canadians to explore whether there are any fields in which mutual trade can be expanded. South America's 150 million people could offer a new and substantial market for Canadian products. In 1960—I have not the figures for 1961—we purchased approximately $270 million worth of

goods from South America, while they only purchased from us something like $127 million worth.

The continent of South America appears to be ready to accept a new concept in international relations and trade, in the hope of exchanging their products for manufactured goods and machinery which at their present stage of low technological development they cannot hope to produce themselves.

The field is, therefore, wide open for Canada to sell her manufactured goods in this rich market. Such goods are badly needed in Latin America to help the economic balance of those countries and, in exchange, we would receive valuable natural products. Let us not forget South America when we are considering the expansion of our exports.

Another disappointing feature in the speech from the throne was the total absence of any reference to tax cuts. I know that some will say: how can taxes be cut at a time when welfare costs are to be increased? The way to cut taxes is simple: just cut them. We can learn from the experience of other nations, an experience which has shown that lower taxes often mean higher revenues. This is because more goods can be sold at lower prices. One has only to look at the phenomenal success of food markets and chain stores for proof of this contention. They have shown that low prices and high volume run up larger profits.

The truth of the matter is that far from having recovered its buoyancy, as we have been led to believe by this government, the Canadian economy is still going backwards, and the fact remains that in the absence of meaningful tax reductions there can be little prospect of a lasting improvement in our economy.

Last October I visited Italy. I was particularly impressed by the tremendous economic progress which a country so poor in natural resources has achieved during the past few years. Italy's gross national product for 1961 was expected to have reached, by the end of the year, the highest percentage increase ever recorded. Industrial production, also, was expected to reach an increase of 15 per cent as compared with the previous year.

I asked officials of the government and leading men in industry whom I had the privilege of meeting what was the secret of this prosperity. The reply I received was to the effect that the recovery of the Italian economy, which had been in the doldrums after the war, was no miracle but, rather, the result of common sense in applying efficient methods of manufacturing and production and flexible government tariffs and export policies, including a moderate tax incentive policy, to aid exports. We would do well to ponder the reasons underlying the success in world markets achieved by a country as poor in natural resources as Italy.

I also visited Israel. Here, indeed, is something to behold. In spite of very limited natural resources and a small population the per capita productivity of this country is simply amazing. They have a productivity council, one of the most successful of its kind, and with the aid of the government it is training 4,000 students a year in industrial management courses. It is to be hoped that when the Canadian productivity council gets into top gear—and I am afraid it is running in low gear now—it will make Canadians more conscious of the need for productivity than it has been able to do so far.

The Montreal *Gazette* of January 24 has an editorial on this subject from which I wish to quote a paragraph:

> The competition that Canada faces in her trade with the world is along a vertical, as well as along a horizontal line. That is to say, she must compete not only with the industries of other nations as they are today; she must be preparing to compete with these industries as they will be in a few years time, say by 1970. To win today (difficult as that is) will not be enough, if Canada will lose tomorrow.

It was generally anticipated that the speech from the throne would disclose information that an amendment to the Immigration Act would be introduced at this, presumably, the last session before the general election. However, the Prime Minister decided on an order in council approving a formula which changes the regulations. This course was taken as a substitute for a change in the act. The statement read by the Minister of Citizenship and Immigration (Mrs. Fairclough) last Friday with reference to regulations which will make it possible for immigrants in all parts of the world to enter Canada if they can qualify in respect of education, training and other skills is supposed to be an improvement on the former regulations. This seems to me to be just another way of saying to a prospective immigrant, if for any reason he or she is not wanted: we are sorry, but unfortunately you do not meet the requirements of our regulations so your application for admission to Canada is therefore not approved.

My friend the hon. member for Bonavista-Twillingate (Mr. Pickersgill) aptly described the new regulations when he said:

> The hon. lady has said that the new section 31, which is substituted for section 20 of the existing regulations, abolishes discrimination. Of course, it does nothing of the kind. It substitutes one

set of criteria for discrimination for another. I am one of those who think that the words "discrimination" and "selection", as any dictionary shows, mean precisely the same thing, and they cannot mean anything different. The hon. lady is well aware, as she has said previously in the house, that there is in the existing regulations no racial or other similar discrimination, and I am glad there is not going to be any such discrimination now.

But I suggest that what the hon. lady has done is to make it necessary to look at every individual case and compare it with every other case, and that, by abolishing some of the convenient general categories she is going to create an administrative problem that it will be absolutely impossible to cope with if we are to have any substantial immigration. Of course, if the pattern of 1961 is to be followed, when we had a net emigration from this country, it is probable that the new regulations are well designed to serve that end.

Finally I should like to point out that what the government undertook to do five years ago was, not to change the regulations but to change the act, and that has not been done.

For my part, Mr. Speaker, I am going to reserve my criticism of the minister's statement until we can see how the new regulations are going to operate. The provision for the admission of a wider list of non-white immigrants who have relatives in Canada, and the broadening of the type of appeals which may be taken before the immigration appeal board, is a welcome change with which few, if any, can quarrel. However, the unfortunate fact is that in 1961 fewer people immigrated to Canada than emigrated from the country, mostly emigrating to the United States.

No one is advocating wide open doors to all and sundry, but I cannot let this occasion go by without expressing concern at the slow flow of desirable immigrants which, for all intents and purposes, has been practically stopped since 1960. Those of us who retain faith in the growth and development of this great and glorious country which we are proud to call our own, believe that desirable immigrants should advance our economic and cultural well being, and be capable of creating a Canadian industrial development by enlarging Canada's domestic market.

What is the worth of an immigrant? The department of immigration of Australia has the answer to this question which in effect, means that before an immigrant begins earning and spending, each adult immigrant worker's value, as he walks to his bench or desk, or to the construction site of a building, has been calculated by Australia's federal treasurer, at $15,000. This is the official cost of feeding, rearing and training an Australian born child up to the working age. Today, every tenth shop girl in Australia's shops owes her place behind the counter to the growing demand which immigrants are creating and helping to fill.

Feet that once trod pavements in Britain and Europe are now wearing two and one third million pairs of Australian made shoes and sandals, and this means an extra factory bench in shoe factories to every ten existing previously. Inside the shoes, the immigrants in a year wear five and three quarter million pairs of socks and stockings of Australian make. They need 2,000 tons of soap. They puff 5¼ million pounds of cigarettes and tobacco. They eat more than 1½ million gallons of ice cream. According to the bureau of census and statistics, an immigrant and his wife supporting two children are estimated to spend each year on the average for food and drink $1,275—

Mr. Speaker: I am sorry to interrupt the hon. member but his time has expired.

(Translation):

Mr. Theogene Ricard (Parliamentary Secretary to the Prime Minister): Mr. Speaker, in the few minutes that remain, I should also like to comment on the unconsidered statements which have been made in this house in the last few days. Opposition speakers have tried to make us believe that Canada's prestige with the other commonwealth nations was declining.

Mr. Speaker, as you were in our group, you know that I had the advantage of going around the world two years ago, and that I attended the commonwealth parliamentary conference in Canberra.

At that conference, I was able to meet parliamentarians from all the commonwealth countries and I discovered with pride that Canada was held in very high esteem and was very much respected by people, as well as its Prime Minister and the Secretary of State for External Affairs (Mr. Green).

I also had the opportunity, last October, to attend the NATO conference in Paris. There again, I had contacts with parliamentarians from every country and, to my great satisfaction, I found among them an unparalleled esteem and respect for Canada. When hearing some remarks like those made in this house by people who are supposed to have great experience in the matter, for instance the Leader of the Opposition (Mr. Pearson), I may well say that, apart from being surprised, I was deeply affected.

Far from throwing discredit on our country, far from belittling the prestige it enjoys and should enjoy abroad, I feel that we should use all possible means to boost Canada, because it is a great country, which commands universal admiration.

Wherever we went—and you are aware of that as well as I am, Mr. Speaker, since you were a member of the party—when we uttered the word Canada, when we said we

were Canadians, we were greeted with open arms and with these words: "I would like to live in your beautiful country".

This is quite different from what the members of the opposition would have us believe and it is quite different from the disparaging comments these gentlemen put on record.

(Text):

Mr. Speaker: Order. It being 9.30 o'clock it is my duty, pursuant to section 4 of standing order 38 as provisionally amended, to interrupt these proceedings and put forthwith the question of any amendment before the house.

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

YEAS

Messrs:

Argue
Badanai
Batten
Boivin
Boulanger
Bourget
Bourque
Brassard (Lapointe)
Caron
Carter
Chevrier
Clermont
Crestohl
Denis
Deschatelets
Dumas
Dupuis
Eudes
Forgie
Habel
Hellyer
Herridge
Leduc
Macnaughton
McIlraith
McMillan
McWilliam
Martin (Essex East)
Martin (Timmins)
Matheson
Matheson
Michaud
Mitchell
Pearson
Peters
Pitman
Regier
Richard (Ottawa East)
Robichaud
Rouleau
Tardif
Tucker—42.

NAYS

Messrs:

Aitken, Miss
Allmark
Barrington
Beech
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Bigg
Bissonnette
Bourbonnais
Bourdages
Broome
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Bruchesi
Brunsden
Cadieu
Campbell (Lambton-Kent)
Cardiff
Casselman, Mrs.
Charlton
Chatterton
Churchill
Clancy
Coates
Cooper
Creaghan
Crouse
Danforth
Dinsdale
Dorion
Drysdale
Dubois
English
Fairclough, Mrs.
Fairfield
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Flemming (Royal)
Flynn
Forbes
Frechette
Fulton
Grafftey
Green
Grills
Gundlock
Hales
Hamilton (Notre Dame de Grace)
Hanbidge
Harkness
Henderson
Hicks
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Howe
Jones
Jorgenson
Jung
Kennedy
Kindt
Knowles
Korchinski
Lafreniere
Lahaye
Lambert
Legere
Letourneau
Macdonald, Mrs.
Macdonnell
MacEwan
MacInnis
MacLean (Queens)
Macquarrie
MacRae
McBain
McCleave
McDonald (Hamilton South)
McFarlane
McGee
McGrath
McGregor
McIntosh
McLennan
McQuillan
Mandziuk
Martini
Matthews
Milligan
Monteith (Perth)
Monteith (Verdun)
Montgomery
More
Morissette
Morris
Morton
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Murphy
Nasserden
Nesbitt
Nielsen
Noble
Nowlan
Nugent
O'Hurley
O'Leary
Ormiston
Parizeau
Pascoe
Phillips
Pigeon
Pratt
Pugh
Rapp
Ricard
Richard (Kamouraska)
Rogers
Rompre
Sevigny
Skoreyko
Small
Smallwood
Smith (Calgary South)
Smith (Lincoln)
Smith (Simcoe North)
Southam
Speakman
Spencer
Starr
Stefanson
Stewart
Thomas
Thrasher
Tremblay
Valade
Villeneuve
Vivian
Walker
Webb
Weichel
Winkler—144.

Mr. Speaker: I declare the amendment lost. Shall I call it ten o'clock?

Mr. McGrath: May I call it ten o'clock?

Mr. Speaker: The question is on the main motion.

Mr. McGrath: May I move the adjournment of the debate?

Mr. Herridge: I rise on a question of privilege—

Mr. Speaker: I think the proper course is for me to call it ten o'clock and deal with the order of speaking when we resume.

Mr. Herridge: I rise on a question of privilege. The Minister of Justice (Mr. Fulton) this afternoon paid tribute to Scotland's immortal bard. I wish to join with him on behalf of this group. With his humanitarian sense of brotherhood, if he were alive today and viewing the Canadian scene, I am sure he would say to all those in Canada who preach disunity:

> Diel take all talk of a first race
> Great weapon of the Nazi case
> And may this evil soon be hidden
> On some auld midden.

Mr. McGrath: As a poor, humble Irishman, may I call it ten o'clock.

BUSINESS OF THE HOUSE

Mr. Chevrier: Might I inquire what the business will be for tomorrow, and can the house leader give any indication what it will be on Monday?

Mr. Churchill: Tomorrow we will take the supplementary estimates which were tabled the other day. The business on Monday will depend on the progress which is made tomorrow.

Mr. Martin (Essex East): Will the Minister of Finance be here tomorrow?

Mr. Churchill: Will the hon. member for Essex East be here tomorrow?

Mr. Martin (Essex East): Will the Minister of Finance be here tomorrow?

Mr. Churchill: It will depend upon whether or not the hon. member for Essex East is here.

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

HOUSE OF COMMONS

Friday, January 26, 1962

The house met at 11 a.m.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SPEAKERS OF PROVINCIAL LEGISLATURES

Mr. Speaker: By leave of the house may I make reference to an unusual circumstance. We frequently have distinguished members of other legislatures with us in the House of Commons but I think this is the first occasion on which we have had no less than six presiding officers of Canadian legislatures with us in the gallery. I do not know whether hon. members will regard this as a good thing; it depends upon the view they take of speakers.

I once heard Lord Attlee at a dinner at which there were a great many Speakers of the commonwealth present trying to find a collective term to describe them. He chose "a spout of Speakers".

I assure hon. members that our distinguished guests are here this morning to observe and not to admonish. On your behalf I take the opportunity of welcoming to the House of Commons Hon. William Murdoch, Speaker of the Ontario legislature; Hon. H. A. Veniot, Speaker of the Nova Scotia legislature; Hon. Mr. Richard, Speaker of the New Brunswick legislature; Hon. A. W. Harrison, Speaker of the Manitoba legislature; Hon. J. R. McLean, Speaker of the Prince Edward Island legislature and Hon. Peter Dawson, Speaker of the Alberta legislature. In addition, we have Hon. Frank Connors, member of the legislative council of Quebec representing the president of the council; Mr. Oswald Parent representing the speaker of the legislative assembly of Quebec; Mr. F. A. Dewhurst from Saskatchewan who, if reports can be believed, may soon become the Speaker of the Saskatchewan legislature; Mr. W. McKay, clerk of the Prince Edward Island legislature is here. British Columbia and Newfoundland are not represented because their legislatures are in session.

These gentlemen are here to attend the meeting of the Canadian area council of the commonwealth parliamentary association which comprises all of the Canadian branches.

May I also extend our welcome to the wives who are accompanying the members of the council.

PRIVILEGE

MR. FULTON—REFERENCE TO REMARKS IN DEBATE ON JANUARY 25

Hon. E. D. Fulton (Minister of Justice): I rise on a question of privilege, Mr. Speaker. The matter arises out of an exchange between the Leader of the Opposition (Mr. Pearson) and myself during yesterday's debate. This is the first opportunity I have had to secure the texts of the speech in question and therefore to set the record straight. The passage to which I refer appears at page 191 of *Hansard*. As you will recall, Mr. Speaker, I had been challenged by the hon. member for Laurier (Mr. Chevrier) to give an example of an occasion when the Leader of the Opposition had said one thing in Quebec which he had not said in other parts of Canada. Starting at the top of page 191 of *Hansard* I am reported as follows:

> I have not got the exact text before me, but this remark has been widely quoted. It is to the effect that if a Liberal government were in office it would regard it as one of its responsibilities to bring about an end to the co-operative cost sharing programs between the dominion and the provinces. This is what—

Mr. Speaker: Before the hon. member proceeds—and apparently it takes some explanation to make his point—will he indicate what is the point of privilege he raises?

Mr. Fulton: Yes, Mr. Speaker. The point of privilege is that the Leader of the Opposition made a statement reflecting on my veracity or my accuracy. I was not able to refute it at the time. I am now in a position to refute the statement of the Leader of the Opposition. Since this matter has been reported in the press as well as having been raised in debate I think that, on a question of privilege, I am clearly within my rights in requesting an opportunity to clear it up.

Mr. Chevrier: Mr. Speaker—

Mr. Fulton: I am speaking on a point of privilege and I continue as follows—

Mr. Chevrier: Mr. Speaker, I rise—

An hon. Member: Sit down.

Mr. Speaker: I observe that the hon. member for Laurier is rising in his place. Is he rising to speak to a point of order?

Mr. Chevrier: I am rising to speak to a point of order.

Mr. Fulton: I think a question of privilege has priority.

Mr. Chevrier: Speaking to a point of order—

Mr. Fulton: A question of privilege has priority over a point of order unless you, Mr. Speaker, rule otherwise.

Mr. Speaker: I think probably the hon. member for Laurier would be rising to question whether a matter of privilege arises. Of course, that is something that must be decided, namely whether the matter raises a prima facie question of privilege. That is a matter for the Chair to decide. If the point the hon. member wishes to make is that the statement made yesterday by the Leader of the Opposition misinformed the house, there is a possibility that a question of privilege could arise and the Minister of Justice would have the opportunity to make his submission in order that it may be seen whether it amounts to a question of privilege.

Mr. Fulton: I put the matter on both bases.

Mr. Chevrier: I was rising, Mr. Speaker—

Mr. Fulton: I put the matter on both bases, namely that my veracity was attacked and that the house was misinformed by what the Leader of the Opposition said.

Mr. Speaker: Before I hear the minister I would be willing to test my views as I have expressed them.

Mr. Chevrier: Your Honour was expressing my intention very clearly and much more emphatically than I could have done. My point is that this is not the manner in which to proceed to do what the Minister of Justice intends to do. What he should have done, in accordance with the rules of the house and as Your Honour has explained to the house on many occasions, was to have risen afterwards with the text in hand and to have then made the correction. What he intends to do now is not, strictly speaking, a matter of privilege. He intends now to correct a challenge to which he was put yesterday and which he was unable to accept. He wants to do so now as a matter of privilege and I submit to you with deference, sir, that he has no right to do that at this time under the rules of the house. He may do it in debate if he wants to on another occasion, which is in accordance with the rules by which we abide in this house, but certainly he cannot do it in the manner in which he is attempting to do it now.

Mr. Pearson: On the point of order, since my name has been mentioned—

Mr. Speaker: Order. I think I need not hear the Leader of the Opposition on the point of order. Would hon. members allow me a minute?

Mr. Fulton: The reply I was going to make to the hon. member for Laurier—

Mr. Hellyer: The Speaker asked you to allow him a minute.

Mr. Speaker: Order. Would the minister allow me a minute? Since a point of order has been taken I should like to say a word about it before we go further with the alleged question of privilege. The point is made that this is a matter of personal explanation which is permissible, of course, where a member has been misquoted or his remarks have been misinterpreted and this arises in the course of debate. There is a reference in Beauchesne, citation 113, in these words:

> Members often raise so-called "questions of privilege" on matters which should be dealt with as personal explanations or corrections, either in the debates or the proceedings of the house. A question of privilege ought rarely to come up in parliament. It should be dealt with by a motion giving the house power to impose a reparation or apply a remedy.

And further down the page:

> But a dispute arising between two members, as to allegations of facts, does not fulfil the conditions of parliamentary privilege.

That is the normal practice and unless the Minister of Justice considers that the breach of privilege which he asserts goes beyond a matter of difference as to facts and involves misconduct on the part of the Leader of the Opposition, which would arise if there were a deliberate misleading of the house, then he seems to come within the citation. But it is possible for privilege to arise where a member has given wrong information to the house. If he has misled the house knowingly, then of course that would probably be the subject of a motion, referred to a committee and dealt with as a matter affecting the privileges of the house. Having said that, I will hear the minister further.

Mr. Fulton: Mr. Speaker—

Mr. Pearson: Mr. Speaker, on the point of order, I take it that I have the same rights as the minister to deal with this matter after he has spoken.

Mr. Speaker: I have disposed of the point of order. Certainly, the Leader of the Opposition will have the right to deal with the matter which is raised.

Mr. Fulton: I pointed out that my veracity or accuracy had been attacked and that the house had been misled and in terms which I think, sir, as I read the relevant passage, the house will agree can only be described as deliberate. I intend to show—

Mr. Chevrier: Mr. Speaker—

Some hon. Members: Sit down.

Mr. Chevrier: Your Honour has not ruled that the Minister of Justice could go into the merits—

Mr. Speaker: Order; I have indicated what I consider are the guiding principles. I propose now to hear the minister.

Mr. Fulton: I had read the passage from *Hansard* down to the point where I had remarked:

> This is what the Leader of the Opposition said in the province of Quebec. I challenge him to say where he has ever said anything even remotely resembling that in any other part of Canada?
>
> Mr. Pearson: On a point of order, Mr. Speaker; the minister has quoted me and I would ask him to give the source of the quotation or the speech I made in Quebec about which he is talking. I ask him to do that, because he has made this statement.

I think I can fairly summarize here by saying that I said I did not have the text before me but that the Leader of the Opposition had been widely quoted to that effect. The Leader of the Opposition then continued:

> May I speak to the point of order? Will the minister, not having any source on which to base the remark except some unnamed press report which he cannot identify and the date of which he cannot specify, at least say that his reference is to the speech I made in Quebec city about two months ago?
>
> Mr. Fulton: Yes, that is it.
>
> Mr. Pearson: We can clear this up. The speech I made in Quebec city and that part of it which dealt with the subject about which the minister is talking, was also made the week before in Winnipeg.

My recollection is that the word "verbatim" was used there.

Some hon. Members: It certainly was.

Some hon. Members: No, no.

Mr. Fulton: But it does not appear in *Hansard* so I make no further comment on that matter. The *Hansard* report continues: "Some hon. members: Hear, hear". Then, I find this:

> Mr. Fulton: I think we will have to send for the record.
>
> Mr. Pearson: You had better.
>
> Mr. Fulton: Then, we can set this matter straight. I hope to have it before the conclusion of my remarks.

As I explained, sir, I was not able to obtain the record before the conclusion of my remarks or indeed even before the conclusion of the sitting of the house yesterday.

Mr. Chevrier: That is why there is no question of privilege.

Mr. Fulton: This is the first moment at which I am able to raise the matter. I have now, however, secured copies of the text of an address by the Hon. L. B. Pearson at the Campbell testimonial dinner, November 2, 1961, Winnipeg, Manitoba and of the text of an address by the Hon. Lester B. Pearson, leader of the Liberal party of Canada, at the federal nominating convention, Quebec East, Monday, November 6, 1961. I should say also, sir, that in case this was not the only speech the hon. member delivered in Winnipeg at that time I endeavoured to secure the text of any others. I also have had the press checked for that period. I could find no other evidence there was any speech delivered at that time other than this one, with or without text, and certainly no reference to the subject matter in dispute in the Winnipeg press.

Now, sir, I have gone through the Winnipeg text and in order that the position may be perfectly clear I think I should place on the record the paragraph—

Mr. Martin (Essex East): Mr. Speaker—

Some hon. Members: Order, sit down.

Mr. Speaker: Order; I think if the minister were to conclude by stating that the speeches are not identical that would complete his case. I would think it would be improper to try to establish the facts of the case at this time.

Mr. Fulton: I can conclude very shortly, then, because I should like to read a sentence which appears in the Quebec speech—

Mr. Martin (Essex East): Mr. Speaker—

Mr. Fulton: This is the sentence in question and that is why I am going to read it.

Mr. Speaker: If the hon. member for Essex East is rising on another point of order, I will hear him of course, but I have disposed of the problem which presented itself at the beginning of this question of privilege.

Mr. Martin (Essex East): Quite, but you have given the Minister of Justice ample opportunity to state his alleged question of privilege. That question has not been stated, and the minister is the last man in the house who should violate the rules.

Mr. Fleming (Eglinton): The hon. member for Essex East being the first?

Mr. Speaker: One of the rules is that members shall have an opportunity to present the facts before the house, and I trust the minister will be able to complete his presentation of the facts.

Mr. Fulton: Yes, sir. It is true that both speeches contain passages dealing with the problem of dominion-provincial relations but the Quebec speech text contains this sentence:

> As a matter of fact we believe the federal government should withdraw from the field of joint programs which are of a permanent character once these programs are well established across the country.

That sentence does not appear anywhere in the Winnipeg speech.

Some hon. Members: Hear, hear.

Mr. Fulton: Nor is it represented in effect in the Winnipeg speech.

Mr. Martin: (Essex East) On a point of order—

Mr. Fulton: That sentence was not in the Winnipeg speech either verbatim or in effect.

Mr. Speaker: I have heard the minister at considerable length in what I think was a sympathetic and proper effort to determine whether he was asserting a matter that involved a privilege of the house. It seems to me there is a dispute about the facts. Unless the minister proposes to make a charge, or asks leave to make a motion, I do not think that what he asserts is prima facie question of privilege.

Mr. Martin (Essex East): A travesty of justice.

Mr. Speaker: This is a question as to the exact words that are used in debate, a question which often arises. I now give the minister the opportunity, if he wishes to do so, to complete his case in that way, and also leave to make a motion. If he does not, then I think I should at least give an opportunity of explanation to the Leader of the Opposition.

Mr. Fulton: I think that possibly a motion would be going a bit far, and the matter would be satisfactorily disposed of by an apology to the house by the Leader of the Opposition.

Mr. Pearson: Mr. Speaker, you challenged the minister to present a motion. Naturally he is backing away from that.

Mr. Jones: You are exposed before the whole country now.

Mr. Fulton: An apology will suffice.

Mr. Speaker: Order. I think it is appropriate that the hon. member whose name has been brought into question should be permitted to give his explanation, but I hope he will limit it to that. What is involved, as I have indicated, is a dispute over the facts. If he wishes to comment on the facts, that is his privilege.

Hon. L. B. Pearson (Leader of the Opposition): I do wish to clarify the facts which have been confused and misrepresented by the minister. In the first place, the minister suggested I took a word out of *Hansard*, that I cut "verbatim" out of the blues. The minister suggested this, and in an interjection an hon. member opposite deliberately stated I had taken it out.

Mr. Martin (Essex East): The member for St. Hyacinthe-Bagot (Mr. Ricard).

Mr. Pearson: That statement, Mr. Speaker, is a lie, or an untruth if you prefer that word;

[Mr. Fulton.]

and if the member who made the intervention would raise that as a question of privilege I should be delighted.

Mr. Speaker: I would hope the hon. member who has the floor would withdraw the word "lie" and use the word "untruth". There would be a serious question of privilege arise if an hon. member charged another hon. member with lying. We can always appreciate that I did not hear the intervention now in question.

Mr. Pearson: The remark was that I took a word out of *Hansard* before it appeared. Having been charged with that—and that would be an offence—I have the right to say that that statement is a lie. It is an untruth. That is a matter of fact and it can be proved by the examination of the blues to see whether it is true or not. I say that statement is not true.

Mr. Speaker: That satisfies the proprieties, of course. I thought the Leader of the Opposition was accusing a specific hon. member of lying.

Mr. Pearson: No. I was merely saying that the statement, whoever made it, to the effect that this was done, was a lie. That is exactly the same as saying a statement is untrue. The Minister of Justice accused me yesterday of making a statement which was untrue and nobody asked him to withdraw that statement.

Mr. Fulton: I did not use the world "lie". I will if you like.

Mr. Pearson: The minister's statement that there was anything different said in Quebec, or rather, as he said on another occasion, that I said nothing elsewhere along the lines of the statement I made in Quebec—that statement, I claim, is untrue.

An hon. Member: Read *Hansard.*

Mr. Pearson: I have the text before me. In my Quebec speech I said: "As I said last week in Winnipeg, these programs must be made more flexible." I made that statement in my Winnipeg speech, I could read the paragraph dealing with this point if I so desired. I also have the text of a statement I made in Guelph and I would be glad to quote from that to support my position that I did not make a statement in Quebec that I was not willing to repeat in any other part of the country. The minister has been unable to establish his wrong and misleading allegation to the contrary.

Mr. Fulton: Mr. Speaker—

Mr. Speaker: I think we should not allow these proceedings to become a debate. There will be opportunities to pursue the matter later on, I daresay.

MR. JUNG—REFERENCE TO REMARKS IN DEBATE ON JANUARY 25

Mr. Douglas Jung (Vancouver Centre): Mr. Speaker, I regret that I have to rise on a question of privilege. Yesterday afternoon when I was in my office the hon. member for Burnaby-Coquitlam (Mr. Regier) made a reference to me during the course of his speech in which he dealt with certain aspects of the investigations into illegal Chinese immigration. This is what he said. I quote from page 204 of *Hansard*:

> The government has dragged through the mud the good reputation of tens of thousands of loyal Canadian citizens of Chinese descent, and I very much regret that one of the members of parliament has been aggressive and active in helping to smear people of the same origin as himself.

Some hon. Members: Shame.

An hon. Member: What can you expect?

Mr. Jung: Mr. Speaker, at no time have I done anything to smear my fellow Chinese, nor have I ever entertained any such preposterous thoughts. On the contrary, Mr. Speaker, the Minister of Justice (Mr. Fulton), the Minister of Citizenship and Immigration (Mrs. Fairclough) and the Prime Minister (Mr. Diefenbaker) himself, have all received very extensive representations from me regarding the Chinese immigration regulations and also the investigations into the irregular entries. These representations from me have been so numerous that persons less generous and less sympathetic would long ago have lost patience with me.

Also, my speeches on the subjects are contained in *Hansard* and I invite anyone to say that there is anything in them which can be construed as smearing the Chinese in Canada. Far from smearing them, Mr. Speaker—

Some hon. Members: Order.

Mr. Speaker: Order. I think the hon. member has had ample opportunity to deny the charge which was made during his absence. He should normally have taken objection when the matter arose in the house, but he has taken the first opportunity, I take it, and I have heard him. I think this matter should not be pursued. It is a matter which the hon. member rightly resents and explains, but it does not raise a question of privilege on its face.

I do not think this question falls to be decided, as I take it the hon. member is satisfied to make his explanation.

Mr. Jung: Mr. Speaker, under ordinary circumstances I would have been delighted to ask the hon. member to withdraw those remarks, because I think they are an imputation on my character and on my activities as a member of parliament.

However, because he has already said it I see no point in asking him to withdraw the remark because it is already on the record. I am taking this opportunity to say that this is not the first time I have been attacked on account of my racial background and I doubt that this will be the last. I want to say that I am proud of my racial background, Mr. Speaker—

Some hon. Members: Hear, hear.

Mr. Jung: —and I am prouder still of being a Canadian. I hope I will never lower myself to make the same remarks about others as those remarks made by the hon. member for Burnaby-Coquitlam.

Some hon. Members: Hear, hear.

COMMONWEALTH CONFERENCE

NEW DELHI—STATEMENT ON SECOND EDUCATIONAL MEETING

Hon. Howard C. Green (Secretary of State for External Affairs): I have a brief statement to make concerning the second commonwealth educational conference which was convened in New Delhi on January 11 and is ending today.

It will be recalled that the idea of a formal scheme for commonwealth educational co-operation was first put forward by Canada at the 1958 Montreal conference of Commonwealth trade and economic ministers. Following that initiative by Canada a commonwealth educational conference was held at Oxford, England, in July 1959 where the commonwealth education program was launched. Since that time it has developed most successfully and has met to a most rewarding degree the lofty expectations of its founders. Canada has played an important part in the implementation of the program which the government regards as a strong force for better understanding and for continued close relations among members of the commonwealth.

I have here a list of the students attending universities in Canada under this scheme and of those from Canada attending commonwealth universities abroad. Perhaps that list could be printed at the end of my statement. I would point out that there are now 184 scholars from other parts of the commonwealth in Canada and 61 Canadians studying abroad. The reason for the difference in numbers is, of course, that there are not the university facilities in many of these commonwealth countries which we are fortunate enough to have in Canada.

At this recent meeting in New Delhi, Canada was represented by a full delegation

headed by our High Commissioner in London, Hon. George A. Drew, who also led the Canadian delegation to the first conference at Oxford and has followed the development of the commonwealth education program with a close and expert interest. The delegation also consisted of representatives of Canadian educational institutions and of national educational organizations which included provincial representation.

I have here a list of delegates which, perhaps, could also be printed at the end of my statement. Hon. members will realize that it comprises a very distinguished group.

The delegation participated effectively in all matters of common interest which came under discussion. Many recommendations were put forward for the continued development of the commonwealth education program and for improvements in its operation. These recommendations will now be submitted to member governments for consideration with a view to implementation.

I am sure hon. members will be glad to learn that the Canadian government has extended an invitation to hold the third commonwealth educational conference in Canada. This will probably be held in the year 1964. The offer is being recommended for acceptance by the delegates meeting in New Delhi.

Mr. Speaker: Has the Secretary of State for External Affairs leave to have the lists of names incorporated in the record at the end of his statement?

Some hon. Members: Agreed.

Hon. Paul Martin (Essex East): I am sure the house is interested in this report by the Secretary of State for External Affairs. The conference held in New Delhi was an important one and, as the hon. gentleman says, it will have the effect of promoting a greater measure of co-operation and understanding in the commonwealth which we all regard as an essential instrument for stability and peace.

The minister has said that the third conference will be held in Canada in 1964. He will not misunderstand me if I say there is, therefore, a possibility that the hosts to that conference will not be the present government. However, that is a matter to be decided by events. We all heard with great interest that the delegation which represented Canada at New Delhi was composed not only of Canada's high commissioner and other representatives of the government, but that provincial governments and departments of education were represented, as well, together with outstanding educationists. This is, of course, as it should be, in view of the fact that the provinces have a juridical basis for their concern and interest in education. We thank the minister for his report.

[Mr. Green.]

Mr. H. W. Herridge (Kootenay West): Speaking for the C.C.F. party, which attaches great value and importance to the commonwealth and its increasing role in world affairs, may I say that we welcome the statement made by the minister with reference to this conference. It is further evidence of Canada's willingness to participate in the development of educational opportunities within the commonwealth.

I believe we are in a most fortunate position in Canada. Our tradition of twin cultures enables us, in particular, to assist those persons who come from the African states and whose official tongue is French.

[*Editor's Note: The lists referred to by Mr. Speaker and by the Secretary of State for External Affairs follow.*]

CANADIAN PARTICIPATION IN COMMONWEALTH EDUCATIONAL CO-OPERATION

(a) Scholars from other commonwealth countries studying in Canada:

Australia	8
Basutoland	1
Bermuda	1
Britain	19
British Guiana	2
British Honduras	2
Ceylon	8
Fiji Islands	2
Gambia	1
Ghana	9
Hong Kong	1
India	28
Kenya	6
Malaya	6
Malta	1
Mauritius	4
New Zealand	10
Nigeria	6
North Borneo	1
Pakistan	19
Rhodesia and Nyasaland	6
Sierra Leone	4
Singapore	3
Somaliland (selected prior to 1960)	1
South Africa (selected prior to 1961)	10
Southern Cameroons	2
Tanganyika	1
Uganda	4
Virgin Islands	1
West Indies	16
Zanzibar	1
Total	184

(b) Canadian students studying in other commonwealth countries:

Australia	11
Britain	44
New Zealand	3
India	2
Malaya	1
Total	61

CANADIAN DELEGATION TO SECOND COMMONWEALTH EDUCATION CONFERENCE

New Delhi, January, 1962

Honourable George A. Drew, High Commissioner for Canada, London, leader of delegation.

Mr. M. Cadieux, Deputy Under-Secretary of State for External Affairs, vice-chairman of delegation.

Mr. B. Scott Bateman, Deputy Minister of Education, province of Manitoba, past president, Canadian education association.

Dean G. F. Curtis, faculty of law, university of British Columbia, chairman, Canadian commonwealth scholarship and fellowship committee.

Dr. J.-Gerard DeGrace, Joint Deputy Minister of Education, province of New Brunswick, president of "L'Association Canadienne des educateurs de langue Francaise".

Msgr. Jacques Garneau, secretary-general, Laval University, member, Canadian commonwealth scholarship and fellowship committee.

Dr. Marion Grant, Acadia University, Wolfville, Nova Scotia, member, Canadian commonwealth scholarship and fellowship committee.

Dr. F. C. A. Jeanneret, chancellor, University of Toronto.

Reverend H. F. Légaré, rector, University of Ottawa, president, national conference of Canadian universities and colleges.

Mr. Gerald A. Mosher, principal, Gorsebrook school, Halifax, Nova Scotia.

Mr. Freeman K. Stewart, executive secretary, Canadian education association, member, Canadian advisory committee on teacher training and supply.

Representatives of the following federal government departments were also included:

Department of External Affairs

Department of Labour (vocational training branch)

Department of northern affairs (education division).

Canadian Coastguard Service

SEARCH AND RESCUE

ANNOUNCEMENT OF NEW NAME FOR TRANSPORT FLEET

Hon. Leon Balcer (Minister of Transport): The government has decided that the main Department of Transport fleet of ships will in future be known as the Canadian coastguard. The decision to adopt the new name for the fleet was taken in recognition of the tremendous expansion it has undergone in the past several years in the scope of its operations, in the number of vessels and in the standards of operation that have been achieved. This fleet has been known as the Canadian marine service.

At the same time it has been decided to adopt a new colour scheme for its vessels and a distinctive insignia for their funnels. The ships will have red hulls with white superstructure and funnels instead of the former black, white and yellow combination. A moderately stylized red maple leaf and band on the white funnels will make them easily recognizable at a distance as Canadian coastguard vessels.

The use of red for the hulls is of significant practical utility, particularly for icebreakers, as they will be more easily seen from vessels they may be escorting and by pilots of our own helicopters under conditions of poor visibility. The same need for visibility and ready identification applies to the Canadian coastguard vessels which are on search and rescue duties.

New types of uniforms will be issued which will provide comfortable and smart clothing appropriate to the conditions of the service. These uniforms are modelled on the wartime battle dress and berets are to be provided.

The essentially civilian character of the fleet will remain unchanged. Pilot vessels and canal craft will continue to be operated as separate units by the appropriate divisions of the department.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I think all hon. members of the house would agree with the statement made by the minister, which in effect is a sort of streamlining of the vessels which operate under his department. I am sure the men, officers and others who work on and operate these ships will be delighted with the announcement the minister has made.

I should just like to add that perhaps the minister should give consideration to a statement made by the former minister of public works, now the Secretary of State for External Affairs, that the government of Canada would soon be having a merchant

marine once this government took office. The minister might well give consideration—

Mr. Speaker: Order.

Mr. Chevrier: —to that and perhaps announce a decision to that effect to the house in the near future.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, several years ago when the Department of Transport was under the auspices of the hon. member for Broadview (Mr. Hees) we looked forward to this step. There were some indications that we were going to have real wavy navy in the marine service. We welcome the steps that have been taken.

There is no indication in the minister's statement, of course, that this is going to lead to the kind of coastguard service that the United States provides. We look forward later in the year to some kind of announcement by the minister which would indicate that the search and rescue operations of the Canadian marine service will be expanded, particularly on the great lakes.

REPRESENTATION ACT

AMENDMENT TO CHANGE NAME OF CONSTITUENCY

Mr. W. F. Matthews (Nanaimo) moved for leave to introduce Bill No. C-46, to amend the Representation Act.

Some hon. Members: Explain.

Mr. Matthews: Mr. Speaker, I explained this bill verbatim last session and I do not think a second explanation is at all necessary at this time.

Motion agreed to and bill read the first time.

BRITISH NORTH AMERICA ACT

AMENDMENT RESPECTING READJUSTMENT OF REPRESENTATION IN HOUSE OF COMMONS

Mr. D. M. Fisher (Port Arthur) moved for leave to introduce Bill No. C-47, with respect to the readjustment of representation in the House of Commons.

Some hon. Members: Explain.

Mr. Fisher: Mr. Speaker, this bill has been before the house in three previous sessions. It merely seeks to arrange that a redistribution commission can be set up to govern and adjust the constituencies of this parliament.

Motion agreed to and bill read the first time.

[Mr. Chevrier.]

FINANCE

REPORTED STATEMENT BY A FORMER GOVERNOR OF BANK OF CANADA

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, my question arises out of a statement reported to have been made yesterday in Toronto by Mr. Graham Towers, former governor of the Bank of Canada, to the effect that Canada's economic performance of the past five years has been unsatisfactory and that per capita gross national product today is smaller in real terms than in 1957.

My question is to the Minister of Finance. Has he any comment to make on this matter?

Some hon. Members: Oh, oh.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker—

Mr. Speaker: Order. I think it is quite clear that the question is one beyond the scope of oral questions on the order of the day. Furthermore I would advise the house that, if the minister replies, there is no time limit on his speech.

Mr. Fleming (Eglinton): Thank you, Mr. Speaker. I am very glad to make comment on this matter because it is quite clear that the Leader of the Opposition has followed a practice of selecting a little piece out of an extended speech made by the gentleman concerned and then bringing this before the house as though it were the whole speech.

Mr. Pearson: Read the whole speech.

An hon. Member: Like Winnipeg.

Mr. Fleming (Eglinton): There are many things that are dealt with in the speech in the reports that are available to everyone in this morning's press. I would have thought that it would have been of interest to the Leader of the Opposition that Mr. Towers is reported as saying:

> Canada's currency was overvalued for most of the period, although considerable relief has resulted from the fact that the dollar now sells at a discount of 4½ per cent compared with the U.S. dollar, compared with an average premium of a little more than 3 per cent in 1960.

Mr. Speaker: Order. The value of the rule which I invoked is apparent. Questions of this kind only introduce debates. Now that each side has made a statement, I think perhaps we might call the account even.

INDUSTRY

REPORTED SALE OF FARM IMPLEMENT COMPANY TO U.S.

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct to the Prime Minister a question arising out of a press report that the Cockshutt Farm Implement Company may be sold at an early date to the White Motor Company of the United States. My question is this. In view of the Prime Minister's interest in reducing farm implement prices and the inquiry that took place in this house last year, I wonder whether any discussion has been held with farm organizations which might lead to the retention of the ownership of this company within Canada and perhaps its development by the co-operative movement and the producers themselves?

Right Hon. J. G. Diefenbaker (Prime Minister): No such discussions have taken place, Mr. Speaker. The hon. gentleman will, of course, understand me when I make this suggestion. In the province of Saskatchewan a government of the kind to which he refers has gone into various businesses including steel production and the like. This might be a matter he could transmit to that government for its attention.

AUTOMOBILES—INQUIRY AS TO REPORT OF ROYAL COMMISSION

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I should like to ask the Minister of Finance a question. In view of the fact that he has now had the Bladen commission report on his desk for many months and in view of the requests made by the automobile industry and other industries allied therewith, may I ask him if the government is going to act one way or another with regard to this report before the dissolution of the present parliament?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the hon. member, although he has been in the house a long time, has quite overlooked the fact that the implementation of the report would involve the kind of action that is taken in a budget.

Mr. Martin (Essex East): That is not entirely so.

Mr. Fleming (Eglinton): Therefore his question is quite premature. Every other hon. member knows that questions of that kind are not answered in the house. His curiosity in that respect can only be satisfied when the next budget or a budget is introduced.

In the meantime, Mr. Speaker, I have been receiving delegations on this subject. You will remember that in making my announcement last June with respect to it I invited delegations and expressions of opinion. I have been receiving expressions of opinion from representatives of the automobile industry, the automotive parts industry, municipalities where these industries are located and others, and this subject is continuing to receive very active study. Indeed, there are some futher delegations yet to be heard. I am hearing the president of one of the motor car industries on Monday next, one who comes from the city of Windsor, incidentally.

Mr. Martin (Essex East): Mr. Speaker, I thank the minister for an unusually lucid reply. May I say to him that while—

Mr. Speaker: Order. There will be opportunities for debate. If the hon. member has a supplementary question he may ask it, but otherwise I think he should restrain himself.

Mr. Martin (Essex East): I was just preceding my supplementary question by a compliment to the minister, something I am not usually given the opportunity of or justification for doing. May I ask the minister if we are to take it from his reply that there will be a budget before the next election and that in that budget the government will take action to try to deal with the situation that is seriously affecting the automobile industry?

Mr. Speaker: Order.

An hon. Member: Buy a rule book, Paul.

Mr. Martin (Essex East): Mr. Speaker—

Mr. Speaker: Order. The hon. member, as he knows, should have no expectation of receiving an answer on the orders of the day to a question as to when the next election will be. The hon. member for Skeena.

Mr. Martin (Essex East): On a question of privilege, Mr. Speaker, that was not my question. My question was based on the seriousness of the situation affecting this industry and in that connection I have the right under our rules to ask the Minister of Finance whether or not we may expect a budget in which the recommendations of Professor Bladen will be considered one way or another by the government. That is my question and I ask the Minister of Finance to answer now.

Mr. Speaker: I remind the hon. member that was his first question.

Mr. Martin (Essex East): No, no.

Mr. Speaker: Well, it was not precisely in those terms but that was the substance of it. I am sorry, but I cannot accept his argument. The hon. member for Skeena.

TEXTILES—COMPLAINT RESPECTING DISRUPTION

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I should like to direct a question to the Minister of Finance. Has he taken note of the complaint made by the Canadian apparel and textile manufacturers association to the effect that unnecessary disruption of the Canadian textile industry has been caused by Japan's failure to announce 1962 quotas for shipment of clothing and textiles to this country? Is there any foundation to this complaint?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, it is not unusual in the early part of the year, while we are still negotiating with representatives of the Japanese government for the establishment on their part of export quotas for the year, for representations to be made by the Canadian industries that are affected. As a matter of fact, so far as the textile industry is concerned, we are in frequent contact with the representatives and spokesmen for that industry. So far as negotiations are concerned, Mr. Speaker, I said in reply to a question a few days ago that the negotiations with respect to the 1962 quotas are proceeding. I must say that I always wish these negotiations would proceed more quickly than they do, but whatever textile products may be entering Canada from Japan in this present period before the quotas are determined for 1962, most certainly they will be taken into account in the establishment of the quotas.

POWER

COLUMBIA RIVER—INQUIRY AS TO MEETING WITH B.C. PREMIER

On the orders of the day:

Mr. D. V. Pugh (Okanagan Boundary): I have a question for the Minister of Finance on the Columbia river negotiations with the premier of the province of British Columbia. Recently when the premier was advised by you that it was impossible to meet him in Toronto were any further steps taken to arrange a future meeting? If so, what were the results?

Hon. Donald M. Fleming (Minister of Finance): I think I can put quite briefly the state of the correspondence between Premier Bennett and myself. The last letter that I received from Premier Bennett was dated November 27, 1961. That letter was made public by the premier after it was sent. I sent him an interim acknowledgement dated December 9, 1961, and replied to the letter at length on December 23. That letter concludes with these words:

> I am, as always, ready to meet with you and invite you to suggest several alternative dates in January for consideration.

The only communication I have received from Premier Bennett in response to that letter was a telegram which reached me on the evening of January 4.

Mr. Martin (Essex East): Was the minister in Quebec then?

Mr. Fleming (Eglinton): No. I received this telegram at my home in Ottawa. It reads as follows:

> Will be in Toronto at King Edward Hotel on Friday January twelfth only. Would make time available for discussion on Columbia if you thought advisable.

That telegram was signed by "W. A. C. Bennett minister of finance." I responded early the following morning on arrival at my office with the following telegram to him:

> Reurtel deeply regret cannot be in Toronto January twelfth. Will be engaged all day at meeting of Canada-U.S. continuing committee on trade and economic matters in Ottawa. Hope you can suggest other dates for our meeting.

I have had no response to that communication, Mr. Speaker, I wrote the premier a letter also on January 5. In it I quoted for confirmation his telegram to me and my telegram to him in reply and added the following:

> I am very sorry that I am not available on the date you suggested, but the date of the meeting of the Canada-U.S. committee was set several weeks ago and involves a large number of ministers and officials from both countries. It is expected to continue also on January 13th.

That concludes the recent exchanges. As I say, Mr. Speaker, I have had no communication from Premier Bennett since I received that telegram on the evening of January 4. If it were the wish of the house to have these documents printed as an appendix to today's *Hansard,* I have copies available for that purpose.

Some hon. Members: Agreed.

Mr. Hellyer: A waste of the taxpayers' money.

Mr. Speaker: Is it agreed that the correspondence in question be printed as an appendix to today's *Hansard*?

Some hon. Members: Agreed.

Mr. Hellyer: No.

Mr. Speaker: I hear an objection. I will recognize the hon. member for Laurier who I believe has a question to ask.

Mr. Chevrier: May I direct a question—

Mr. Fleming (Eglinton): I do not think there was any objection, Mr. Speaker.

Mr. Speaker: The hon. member for Trinity said no. I do not know whether or not he meant it. Does the hon. member for Trinity seriously object?

Mr. Hellyer: From what the minister had said, Mr. Speaker, I could not determine anything that would justify the expenditure of the taxpayers' money for printing these documents.

Mr. Fleming (Eglinton): In that event, in view of the interest of other hon. members of the house in a matter of extremely great importance to Canada and an extremely important element in co-operation between Canada and the United States, I would ask the house to permit me to read the letter which I wrote to Premier Bennett on December 21.

Mr. Chevrier: Go ahead.

Mr. Speaker: Only with unanimous consent can that be done.

Mr. Hellyer: This procedure would also involve delay, Mr. Speaker, and incur considerable expense. Perhaps I had better withdraw my objection.

An hon. Member: The Liberals are not interested.

Mr. Speaker: The inclusion of unread documents in *Hansard* must be by unanimous consent. I recognize the hon. member for Laurier.

Mr. Chevrier: Mr. Speaker, may I direct a question—

Mr. Fleming (Eglinton): May I have an indication—

Mr. Chevrier: Your Honour has given me the floor twice. Surely I ought to be allowed to ask a question. I have the floor.

Mr. Fleming (Eglinton): May I, Mr. Speaker—

Mr. Speaker: Perhaps the hon. member for Laurier would allow me to ascertain whether or not I have overlooked something to which I should have attended.

Mr. Chevrier: I will, of course, bow to your wishes, Mr. Speaker.

Mr. Fleming (Eglinton): One hon. member indicated that he was not willing to give unanimous consent to the printing of these documents. That member has now indicated that he is withdrawing that objection. I wonder whether the correspondence could be printed by unanimous consent.

Mr. Speaker: Is it agreed that the correspondence be incorporated in today's proceedings?

Some hon. Members: Agreed.

[*Editor's note: For text of correspondence above referred to see appendix.*]

TRADE

INQUIRY AS TO PROPOSED U.S. TARIFF CHANGES

On the orders of the day:

Hon. Lionel Chevrier (Laurier): My question to the Prime Minister is the following. What attitude does the government intend to adopt in the face of the vast tariff changes submitted to congress by President Kennedy yesterday and which are designed as stepping stones to an open trade partnership between North America and western Europe to stop communist expansion in the economic field?

Right Hon. J. G. Diefenbaker (Prime Minister): The government of Canada has made it very clear that it is most anxious to see the widest possible development of multilateral trade without discrimination. Any initiative in this regard will naturally receive the most favourable consideration by the Canadian government. Indeed, by reason of the communist danger that faces us and particularly Mr. Khrushchev's claim that by 1980 the U.S.S.R. and communism in general will have destroyed economically the free world depending on private enterprise, I am one of those who believe that in the years ahead any step that can be taken to strengthen each and every nation in the free world economically should receive the support of all.

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to ask a supplementary question. Can the Minister of Finance indicate the date when he will be presenting the next budget?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I am in no position to indicate the date on which the next budget will be presented. It is most extraordinary for hon. members to expect the Minister of Finance in the month of January to indicate the date of the budget. It is only seven months since the last budget was introduced.

Mr. Chevrier: It was a pretty bad one, too.

Mr. Fleming (Eglinton): I would say this so far as the hon. member for Essex East is concerned. In his impatience and curiosity—

Inquiries of the Ministry

Mr. Speaker: Order. The minister is replying to the supplementary question of the hon. member for Skeena.

Mr. Fleming (Eglinton): May I say to the hon. member for Skeena that if any hon. member of this house has representations on this subject that he wishes to make to me I shall, of course, be glad to receive them, but I think they should be informed representations and not the kind of political claptrap that we hear from the hon. member for Essex East.

Mr. Martin (Essex East): Mr. Speaker, I ask this question by way of a supplementary only because of its importance to the city of Windsor and to Canada generally. If the minister cannot tell us the date, can he give us the month when the budget will be brought down?

Mr. Fleming (Eglinton): Mr. Speaker, it will be a suitable month in the year of our Lord 1962.

NATIONAL DEFENCE

SPECIAL ALLOWANCES FOR SERVICE PERSONNEL ABROAD

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Has the government authorized any special allowance for members of the armed forces serving overseas to restore their purchasing power to the level enjoyed before the devaluation of the Canadian dollar?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, the matter of the amount of the allowance paid to personnel serving in Europe has been the subject of a survey which has been carried on during the past few months, the results of which will be available shortly. On the basis of those results a decision will be made whether or not there should be any change in the amount.

EXTERNAL AFFAIRS

SPECIAL ALLOWANCES FOR PERSONNEL ABROAD

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to ask the Secretary of State for External Affairs a supplementary question. Has the Department of External Affairs made any change in its allowances to officers serving overseas to reflect the change in purchasing power brought about by the devaluation of the Canadian dollar.

[Mr. Fleming (Eglinton).]

Hon. Howard C. Green (Secretary of State for External Affairs): Not yet, Mr. Speaker.

BRITISH GUIANA—REPORTED SENDING OF HON. MEMBER FOR BURNABY-COQUITLAM AS FINANCIAL ADVISER

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Secretary of State for External Affairs a question based on a report in last night's Ottawa *Citizen* about my excellent friend, the hon. member for Burnaby-Coquitlam? The report was to the effect he is going to leave next week to advise the government of British Guiana on its system of taxation. My question is, was this as the result of an arrangement between the government of British Guiana and the government of Canada?

Hon. Howard C. Green (Secretary of State for External Affairs): No, no, no, Mr. Speaker.

Mr. Martin (Essex East): May I ask a supplementary question of the Minister of Finance? Does he not think that the services of the hon. gentleman ought to be preempted to Canada?

Hon. Donald M. Fleming (Minister of Finance): Canada will not bid for those services under any circumstances.

(Translation):

AGRICULTURE

EFFORT BY UNITED STATES FARMERS TO BENEFIT FROM CANADIAN LAW

On the orders of the day:

Mr. Samuel Boulanger (Drummond-Arthabaska): My question concerns the Minister of Agriculture but, in his absence, I should like to direct it to his parliamentary secretary. Is it possible that American farmers, who get subsidies to reduce their grain acreage, may be doing some farming in Canada to take advantage of Canadian legislation?

(Text):

Mr. W. H. Jorgenson (Parliamentary Secretary to the Minister of Agriculture): Mr. Speaker, I did not quite understand the hon. member's question, but if he is implying that farmers from the United States are coming over here to take advantage—

Mr. Speaker: Order. I think the parliamentary secretary might perhaps take the question as notice and examine it. It appeared to me it was a question that went beyond the jurisdiction of the Canadian Minister of Agriculture but perhaps it could be taken as notice.

PUBLIC SERVICE

INQUIRY AS TO INCREASES FOR PREVAILING RATES EMPLOYEES

On orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to address a question to the Minister of Finance about a matter which I understand comes under his jurisdiction. Since approximately last June has there been a freeze order against wage increases for carpenters, plumbers or electricians employed in the parliament buildings and can he make a statement soon that increases in line with established trade union contracts and rates will be made applicable to all federal government prevailing rates employees affected?

Mr. Speaker: Order. The hon. member is asking for a declaration of policy. If the minister wishes to deal with the matter on the orders of the day he will have the opportunity to do so, of course, but it seems to me that the hon. member is asking for a declaration on an important matter of policy.

Mr. Winch: Wage increases, sir.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, if the hon. member is asking for information with respect to the wages paid to any particular group of employees on prevailing rates, I suggest that he put his question on the order paper and give particulars so that there will be no difficulty in identifying the particular group about whom he is speaking. If it is a question of policy, I think he is aware of the policy followed by the government in relation to the wage rates of persons in the prevailing rate categories. Obviously this is not a matter for the orders of the day.

(Translation):

PUBLIC BUILDING

ERECTION OF OFFICES IN MONTREAL

On the orders of the day:

Mr. Georges Valade (St. Mary): Mr. Speaker, I should like to direct a question to the Minister of National Revenue. Could the minister give the house a progress report on the negotiations between the municipal authorities of Montreal and the C.B.C. concerning the construction of the corporation's buildings in the eastern part of the metropolis?

(Text):

Hon. George C. Nowlan (Minister of National Revenue): I am not in a position to say today exactly where that matter stands. There are negotiations going on, as the house knows. I will inquire as to what stage they are now and inform the house later.

CANADIAN NATIONAL RAILWAYS

PROPOSED ASSUMPTION BY GOVERNMENT OF PORTION OF FUNDED DEBT

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): May I ask the Minister of Finance what disposal, if any, the government has made of this proposal of Canadian National Railways that the government should assume liability for a further approximately $1 billion of the Canadian National funded debt?

Hon. Donald M. Fleming (Minister of Finance): All questions pertaining to the capital position of the Canadian National Railways are being discussed at the present time. The hon. member will recall that the period of years covered by the Canadian National financing act expired last year and was extended for a further year by act of parliament. Negotiations are proceeding at this time and will continue, I expect, for some little time to come with a view to working out terms in this respect which might be appropriate to be submitted to parliament for approval in due course.

DEFENCE PRODUCTION

INQUIRY AS TO MANAGER FOR U.S. PROJECT "GEMINI"

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Minister of Defence Production. Is the Mr. James A. Chamberlin who has just been named project manager of the United States project "Gemini", the same Mr. Chamberlin who assisted in designing the Avro Arrow?

Hon. Raymond O'Hurley (Minister of Defence Production): I shall have to inquire.

Mr. Hellyer: May I ask a supplementary question of the Minister of Citizenship and Immigration?

Mr. Speaker: Order. That would be a new question. I recognize the hon. member for Kootenay West.

UNITED NATIONS

PORTUGAL—INQUIRY AS TO SALE OF ARMS BY CANADA

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to direct a question to the Secretary of State for External Affairs. In

view of the debate now taking place in the United Nations general assembly on Angola, and in view of the assurances given this house last session that Canada would cease shipping arms to Portugal under the NATO agreement, would the minister care to comment on the statement purported to have been made yesterday during the debate by the Indian representative Mr. C. S. Jha, to the effect that of the 15 NATO countries only Norway had announced it would refuse arms to Portugal?

Hon. Howard C. Green (Secretary of State for External Affairs): The important word in that statement is the word "announced". Only Norway had "announced". The situation so far as Canada is concerned was explained to the house by the Prime Minister on June 24, 1961. The hon. member for Kootenay West will recall that the Prime Minister then said Canada has not delivered mutual aid to Portugal since November 1960 and earlier shipments to Portugal as to other NATO countries were made on the understanding that they would be used only to strengthen the defensive capacity of the organization and only for the defence of the NATO area as defined in article 6 of the North Atlantic Treaty, which does not include Angola. Moreover, commercial sales of munitions to Portugal have not been made for over two years. That was the situation as announced in June of last year and that continues to be the situation today.

Hon. Paul Martin (Essex East): May I ask a supplementary question? Were any arms sent under any other provision, such as mutual aid? The hon. member used the words "commercial sales"?

Mr. Green: No, the hon. member has not heard me correctly. In my statement I referred first to mutual aid and then dealt with commercial sales. There has been no shipment of arms under any other provision.

IMMIGRATION

ELIGIBILITY OF AVRO EMPLOYEES IN U.S. FOR READMITTANCE TO CANADA

On the orders of the day:

Hon. Paul Hellyer (Trinity): May I ask this question of the Minister of Citizenship and Immigration. Will Mr. Chamberlin and the approximately 25 other ex-Avro engineers now employed by the United States national aeronautics and space administration, qualify for readmittance to Canada under the new immigration regulations in case their services should ever be required here again?

Mr. Speaker: Order. The hon. member is asking about the regulations and the law. He is able to interpret them just as other hon. members can. It is not in order to ask for an opinion or interpretation of the law or to pose a hypothetical question.

Mr. Hellyer: I think the government has done a great disservice to Canada—

Some hon. Members: Order, order.

Mr. Speaker: Order. The hon. member will have the opportunity to debate that matter.

SPORTS

GALT TERRIERS—REQUEST FOR GRANT TO PARTICIPATE IN WORLD HOCKEY TOURNAMENT

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of National Health and Welfare. Has the minister received a request from the Galt Terriers for a grant to enable them to participate as Canada's representative at the coming world hockey tournament in Colorado? If so, what was the response to this worth-while request?

Hon. J. W. Monteith (Minister of National Health and Welfare): Yes, there has been a request received in the department. I have referred it, along with many other requests, to the incoming advisory council.

Mr. Argue: I wonder if I might ask a supplementary question arising out of the minister's answer? Is he in a position to say whether the incoming council will be able to make a decision on this request in order that the Galt Terriers will have the money in time to go to the world hockey tournament?

Mr. Monteith (Perth): The council is to have an organizational meeting on February 5 and 6, and this is one of the matters that will be referred to them for consideration.

SHIPPING

GREAT LAKES—INQUIRY AS TO ICEBREAKER SERVICE

On the orders of the day:

Mr. Hubert Badanai (Fort William): I wish to direct a question to the Minister of Transport. Is the minister aware of the recommendations made by the secretary of labour, Arthur Goldberg to President Kennedy that the offer of the Finnish government to lend the United States a super icebreaker in an attempt to keep the great lakes open on a year round basis—

Some hon. Members: Order paper.

Mr. Speaker: Order. The hon. member is asking whether or not the minister is aware of something happening in the United States.

If he has a question to ask the minister about something within his jurisdiction, perhaps he would put his question.

Mr. Badanai: The question is, has the government any intention of considering such a proposal to keep the great lakes open by using an icebreaker during the wintertime?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I am not aware of what is going on between the United States secretaries in the American cabinet. It is not clear as to just what the suggestion is. I think my hon. friend is asking if it is the intention to keep the great lakes open in the winter. At the present time, we have certain regulations so far as shipping on the great lakes is concerned and the opening of navigation in the spring, and there are no changes contemplated.

SUPPLY

The house in committee of supply, Mr. Martineau in the chair.

DEPARTMENT OF AGRICULTURE

Production and marketing branch—

611. Payments to western grain producers to be distributed on the following basis, namely, $1 per cultivated acre up to a maximum of 200 acres per farm in accordance with regulations of the governor in council, $42,000,000.

The Chairman: Shall this vote carry?

Hon. D. S. Harkness (Acting Minister of Agriculture): I regret that illness prevents the Minister of Agriculture from presenting this estimate to provide for an acreage payment to western grain producers. Thus it falls upon me to do so and I take advantage of the opportunity to compliment you, Mr. Chairman, on your appointment to the important post you hold. I know of no one who could fill the position in a more distinguished manner.

It will be recalled that because of the serious financial position, particularly of the smaller western grain producers, and also due to the absence of a two-price system for wheat, previous acreage payments were made in 1958 and 1960. The reasons why this form of assistance was decided upon in those years were given at length by the Prime Minister and myself when it was originally proposed and debated in this committee. Perhaps I should refer to the *Hansard* reports in which those debates are recorded so that any members of the committee who would like to refresh their memories in regard to these matters will know where to find them readily. They are in *Hansard* of August 30 and September 6, 1958, and of August 8 and 9, 1960.

I shall not repeat the comprehensive statements made on those occasions but will very briefly sum up the principal reasons why it was decided to provide this particular form of assistance to western farmers. After a careful examination of various programs suggested to improve the income position of these farmers it became quite apparent this was the most equitable and practical method of meeting the difficulty. Second, this method ensures that the smaller, worse-off farmers receive the greatest proportion of benefit from the money provided, and this is one of the main considerations which must be borne in mind in extending assistance of that kind.

Third, assistance by acreage does not stimulate production of particular commodities, thus creating and increasing surpluses which have been found difficult to dispose of in the past. In this connection it is encouraging to record that we have made very great progress in the last year or more in disposing of our large surplus of grain, particularly wheat. Nevertheless a system of assistance which would considerably encourage the production of certain of these grains and cause a move away from a more diversified type of agriculture in western Canada would be a step in the wrong direction.

Fourth, acreage payments are a type of payment which does not serve as an impediment to the marketing of agricultural commodities or to free trade in them, while many of the alternative schemes of assistance which have been suggested would have that undesirable feature. In view of the fact we are dependant to such a great extent on exports of our agricultural products, that is something which we must always keep in mind in any agricultural assistance we institute.

This year there is a very important additional reason why a payment of this kind should be made. It is to be found in the reduced farm income, particularly of people in certain areas of western Canada due to the drought which took place there last year. This drought in the long run did not prove as devastating and serious as at one time was believed would be the case, but nevertheless it did have very serious effects which are particularly apparent in the income position of many farmers in western Canada. How serious that is can be shown by comparing the average wheat yield this year with that of previous years. During the past crop year the average wheat yield is estimated to have been 10.4 bushels per acre, whereas for the previous five years it was 19.7 bushels per

acre. In other words, this year's yield was not very much more than half of what had been secured on the average in the previous five years. This gives a good indication of the situation in which many farmers will find themselves, and demonstrates the necessity of assistance in the form proposed.

The payments to be made under the authority of this vote will follow the same pattern as the two previous payments. That is, each producer holding a wheat board delivery permit will receive $1 for each cultivated acre listed in the permit, up to a maximum of $200. Payments will be made to holders of delivery permits for the current crop year, that is 1961-62, and it is estimated that approximately 235,000 payments will be made.

Mr. Hazen Argue (Assiniboia): I do not wish to be rude but will the minister clarify one matter? Do I understand that while payments will be made on the permits books, a person with two or three permit books will be entitled to one payment only? If so can he say how a cross check will be made as there were a number of extra payments made last time by error?

Mr. Harkness: The payments will be made through the wheat board as they were on the two previous occasions and the checking will be done on the basis of their records. Every effort, of course, will be made to ensure that a man who may happen to hold two permits will not be paid on both of them. On the last occasion there were some cases where this happened and repayment was requested. In the final check of every case where an error of that sort was made, repayment was sought. It is always possible that errors can be made in cases of people with similar names, but I do not think that is a material matter so far as the scheme generally is concerned. However, there are several matters which caused questions to be raised at the time payments were made previously. I might mention a few of them so that there may be no doubt in anyone's mind as to the situation at the present time. The first of these matters is in connection with joint permits, that is, a permit in which more than one person is shown as the actual producer. This covers partnerships and things of that sort. Where payments are made to more than one individual as actual producers, payment will be made to them jointly to a maximum of $200 for each such producer. In other words, if they have more than 400 acres and two people are in partnership on a joint permit they would each get $200. If they had only 300 acres they would receive $150 each, in that particular case.

The second matter is in connection with co-operatives. Payment will be made to co-operatives based on a maximum of 200 for each active member of the co-operative and again to the extent of the total cultivated acres shown in the permit. If there are five people in the co-operative and they have 1,000 acres they get $200 apiece; if they have 500 acres they get $100 apiece.

The next matter is in connection with landlords. A large number of questions were raised last year as to whether they would get the payments, and there were complaints when they did not. I should like to make it clear that since the payment is made to the party shown as the actual producer in the wheat board permit, landlords are not eligible for payment unless they are listed as the actual operators of the land. The next point concerns the acreage eligible for payment. All acreage to a maximum of 200 acres which is shown in the wheat board delivery permit as being under wheat, oats, barley, rye, flax, cultivated forage crops, miscellaneous crops, summerfallow and new breaking is eligible for payment. This means, of course, that the only land which is not eligible is that which is natural pasture. There is one other point in this regard; it is the one I have just mentioned, but perhaps it should be put separately so that there may be no confusion. The acreage which is listed in the permit book as being uncultivated land or natural pasture is not eligible.

I trust this explanation will ensure that there is no such confusion with regard to these various points on this occasion as there was in regard to all these matters on the first occasion when acreage payments were made in 1958.

When I was introducing this estimate in 1958 and also in 1960 I referred to a table which gives the breakdown of specified acreage groups as shown by the wheat board delivery permits and I think it would be of advantage to members of the committee if I put this on the record of the house as I did in 1958. I would therefore ask the permission of the committee, Mr. Chairman, to have this table printed in *Hansard*.

The Chairman: Has the minister permission to table this document?

Some hon. Members: Agreed.

[*Editor's note: The table referred to follows.*]

The following table indicates the specified acreage groups as shown in wheat board delivery permits for the 1960-61 crop year:

Specified acreage groupings	Number of permits	Average acreage per permit	Average acreage cereal crops		
			Wheat	Oats	Barley
000- 099 acres	20,172	65	15	13	10
100- 199 "	54,926	144	36	23	21
200- 299 "	49,123	247	68	36	31
300- 399 "	32,297	338	105	41	37
400- 499 "	23,443	442	147	45	41
500- 599 "	13,845	546	185	51	48
600- 699 "	9,938	637	228	49	49
700- 799 "	6,490	745	268	51	55
800- 899 "	3,854	845	300	57	60
900- 999 "	2,814	941	341	57	62
1,000-1,999 "	6,394	1,258	452	69	82
2,000-2,999 "	422	2,348	825	142	154
3,000-3,999 "	98	3,408	1,122	316	286
4,000-4,999 "	27	4,407	1,185	407	407
5,000-5,999 "	20	5,400	1,700	450	600
6,000-6,999 "	17	6,412	1,941	353	529
7,000-7,999 "	7	7,286	2,429	429	714
8,000-8,999 "	7	8,286	2,000	857	571
	223,994	345		36	34

Mr. Harkness: As may be seen, this table shows the specified acreage groupings for the crop year 1960-61, in other words, the last crop year for which we have a complete record. It shows in particular that in the group having up to 99 acres of cultivated land there are 20,172 farmers. The average acreage per permit is 65. In the next group having between 100 and 199 cultivated acres there are 54,926 farmers with an average acreage per permit of 144. In the next group having between 200 and 299 cultivated acres there are 49,123 farmers with an average cultivated acreage of 247. This table also shows the breakdown into wheat, oats and barley but I shall not read that out; it will appear in *Hansard*.

What these figures mean is this: taking these first three groups we have 124,221 farmers out of a total of 223,994 holding permit books who have cultivated acreage amounting to less than 300 acres. The third group I mentioned had an average of 247 acres and the two other groups held an average of less than 200 acres. In other words, these are small farmers and they constitute more than 55 per cent of the total of farmers in western Canada holding permit books. This demonstrates that the particular type of payment now envisaged gives to these people the greatest proportionate benefit from the funds allocated for the purpose. It also makes it clear that the common assumption made by many people that all the farmers in western Canada are big farmers is not correct. The majority are small farmers in actual fact.

There is some other information which I think would also be of interest and value to the committee, namely what was paid in the course of the two previous payments made in 1958 and 1960. In 1958, in Manitoba—these are round figures—there were 43,900 payments made to a total value of $7,206,000. In Saskatchewan, 109,460 payments were made to a total of $19,958,000. In Alberta there were 79,145 payments to a value of $13,219,000 and in British Columbia 1,653 payments amounting in all to $265,000. In other words, 234,162 payments were made and the total amount paid out was $40,649,123.

In 1960, the total number of farmers paid was 227,710, a reduction of about 7,000, and the total amount paid out was approximately the same, namely, $40,432,000. In order to save time I shall not break it down this time for the various provinces. I might say, however, that due to the increase in average farm acreage which has taken place since those payments were made it is estimated that the average payment will be higher on this occasion. Therefore the total amount paid out will be somewhat higher than it was on those two previous occasions. Also, it is estimated that there will be a certain increase on this occasion in the number of payments which are made.

Mr. Martin (Essex East): What is the estimated average?

Mr. Harkness: The estimated average of what?

Mr. Martin (Essex East): You said it was $178 under the previous plan.

Mr. Harkness: No particular sum has been estimated, but it is estimated that the average payment will be higher because the size of farms has increased somewhat during the intervening period.

Mr. Argue: It will be very few dollars in any case?

Mr. Harkness: Yes. The acreage payments made in 1958 and 1960 I think without any question have shown their value to the western farmers and western farmers have demonstrated their approval of these payments in no uncertain way. When the acreage payment program was first introduced to the house in 1958 hon. members opposite were very critical of it. They complained about the method which was being used and about the size of the payment. This was the occasion on which the hon. member for Assiniboia, in particular, was talking about "peanuts" and things along that line.

Mr. Argue: Hear, hear.

Mr. Harkness: However, the history of these two payments has demonstrated without any question that they have been extremely valuable and they have been very well received by the farmers of western Canada.

At this particular time, in view of the drought which was experienced last year, the smaller farmers of western Canada particularly—and, as I have indicated, they constitute the majority—will find the payment which is proposed in this estimate a very great help indeed. The estimated amount of between $41 million and $42 million which will go into western Canada as a result of these payments will have an extremely beneficial general effect not only on the economy of western Canada but also on the economy of eastern Canada, in the form of orders for manufactured goods of all kinds which otherwise farmers and their families in western Canada would not be able to purchase.

I hope that this estimate will receive the universal approval of the committee.

(Translation):

Mr. Boulanger: Mr. Chairman, I am happy to join with the Minister of National Defence (Mr. Harkness) in congratulating you upon your appointment as chairman of committees of the whole. There is no doubt that you are qualified and able to hold that office. You can rest assured that, for our part, we will make your task easy and enjoyable.

Following a statement on the official assistance program to the western farmers that the government intends to implement, I would like to say a few words of approval about these credits which will undoubtedly contribute to help the western farmers who have suffered losses through drought during the 1961 season. We would have thought, however, that the government would have announced a program that would have taken into account the promises made by the Prime Minister (Mr. Diefenbaker) during the 1957-58 electoral campaign. Such is not the case.

I should just like to mention here what he said in Moose Jaw on March 15, 1958 and which was reported in the Montreal *Star* on March 17, 1958. I quote:

(Text):

The Prime Minister also promised that sympathetic consideration would be given to making deficiency payments to wheat, oats, and barley growers so that their returns bear a fair relationship to production cost.

(Translation):

That promise is probably one of those which the Prime Minister forgot to fulfil, and it is not the least, since it concerns 220,000 farmers in the three prairie provinces. Once again, the Prime Minister repudiates his promises to give parity and not charity to grain growers.

In 1960, when a similar vote was before the house, the Prime Minister, after having apologized for not being able to grant the deficiency payments asked by the wheat, oats and barley growers, said:

Deficiency payments applied to deliveries of grain would fail to help those producers most in need and if adopted would require very large subsidies from the treasury, which would inevitably lead to increased surpluses and would add further to the burden of financing the disposal of those surpluses.

And a little further on, the Prime Minister said:

As a result, our policy has consistently emphasized measures to attack the basic problems of agriculture; measures such as export assistance, crop insurance, a vastly improved and comprehensive agricultural credit policy, rural development, conservation and the like. We believe that the basic problems of Canadian agriculture will yield only to long range solutions.

Such was the Prime Minister's agricultural philosophy at that time. And now, in order to solve the problem, we have to take emergency measures as we did in 1958, 1960 and again this year, in other words, handouts, charity. No measure taken so far has given the results expected and the long range effects which were supposed to be felt.

The Crop Insurance Act would have played a suppletory part if the object of the legislation had been really to help the farmer, instead of being merely eyewash.

A few areas have been organized in the western provinces, but, in its application, the act did not reach as far as it should have, because it imposed too heavy a financial burden on the provincial governments.

Farmers in the east have a lot of sympathy for those of the west, and they proved it often last summer as well as in 1958 and 1960.

The fortunes of our farmers in the east are closely tied to those of their fellow farmers in the west, because it is from them that they get much of their supply of feed grain. Indeed, when agriculture is flourishing in the west, our whole economy is the better for it.

Mr. Chairman, the financial help given to farmers who suffered losses last summer will no doubt be appreciated, but, next spring, comes sowing time, it will not be enough to pay for the expenses they will have to incur in order to buy seed grain, gas and other items.

At the present time, most farmers have delivered the greater part of their grain; by next spring, they will have practically none left to bring in a cash income.

These circumstances will give rise to a serious problem where the farmer will be in for trouble if he cannot find ways of financing.

The regulations of the Farm Credit Corporation and the provisions of the Farm Improvement Loans Act do not allow loans to be made to cover operating expenses. Of course, farmers may get a personal loan from the credit unions or the chartered banks but there again, only a small portion of them take advantage of such loans because they have no securities to offer.

I would therefore suggest that the government amend the Canadian Farm Loan Act in order to enable the corporation to grant short term loans as the Liberal party has often recommended and as the Canadian Federation of Agriculture has also proposed in the brief submitted to the government four or five years ago.

If we really wish to help farmers, those neglected citizens—

(Text):

Mr. Smallwood: I rise on a point of order. I am wondering whether we are debating the whole agriculture policy or whether we are debating acreage payments.

The Chairman: I noticed that the hon. member had strayed rather far from the subject of the item.

(Translation):

I would ask the hon. member to revert to the vote under discussion because the rules require that we deal only with the item under consideration.

(Text):

Mr. Martin (Essex East): Before you make your ruling, Mr. Chairman, I should like to say a word.

The Chairman: I believe I have already made my ruling.

Mr. Martin (Essex East): I am sure that the Chair—

Mr. Argue: You cannot get away with that.

The Chairman: I shall be glad to hear the hon. member as well as any other member. But as the hon. member and all other members have heard, I have made a ruling. However, further explanation may be forthcoming. I shall be glad to hear the hon. member.

Mr. Martin (Essex East): I am sure we desire to assist the Chair, particularly as the Chair assumes its new obligations. I believe that the Chair in turn would want to realize the importance of this matter. When this matter was first proposed in 1958, discussion was preceded by a statement by the minister who engaged in a very thorough exposition of agriculture policy. The Prime Minister—

Some hon. Members: Order.

The Chairman: I hope the hon. member will confine his remarks to the point of order and will not stray far afield.

Mr. Martin (Essex East): That is exactly what I am doing.

Mr. Harkness: I rise on a question of privilege, Mr. Chairman.

Mr. Argue: Oh, no.

The Chairman: The minister has risen on a question of privilege.

Mr. Harkness: The hon. member for Essex East has stated that in 1958 I did certain things which I did not do. I would ask him to refer to *Hansard* of the dates which I gave when I was speaking a few moments ago in order that he may not make statements which are completely incorrect with regard to what I have done or not done.

Mr. Martin (Essex East): I was about to make the observation that the debates on this matter in 1958 and 1959 will show that there

was a thorough discussion by those proposing the matter. In particular, if Your Honour will look at *Hansard* for August 30, 1958, at page 4345, you will note the participation of the Prime Minister in this matter and observe that he reviewed the whole past policy of the government, that of other governments and what this government proposed by way of program. That was all with regard to this particular item. Then you will observe that the Leader of the Opposition spoke later on the same day in reply. He made an argument with regard to the important contention of the Prime Minister. He dealt with agricultural policy. Then on September 6—

The Chairman: May I say—

Mr. Martin (Essex East): May I finish?

The Chairman: —that it will not be necessary for the hon. member to continue. He has sufficiently enlightened the Chair on the subject. As I was saying to the hon. member for Drummond-Arthabaska, I did not preclude him from proceeding. I only asked him to assist the Chair by keeping his remarks as closely as possible related to the subject under discussion.

Mr. Argue: On the point of order, Mr. Chairman, I should like to say a word if I may do so.

Mr. Martin (Essex East): I had not finished speaking on the point of order.

An hon. Member: Two great experts.

Mr. Martin (Essex East): Your Honour has requested that the hon. member stick close to the subject. We must understand what this means. What the hon. member for Drummond-Arthabaska has been doing is complaining, as was done on other occasions and as was permitted in the debate, that this particular item is no substitute for a full agricultural policy. In view of the precedents and in view of the rules I submit that he is entitled to indicate that this policy, which is satisfactory as far as it goes, is not sufficient and that it is no excuse for the government having failed to define its policy as announced by the Prime Minister.

The Chairman: The hon. member is not invoking a point of order. He is really making a contribution to the debate. However, it being one o'clock I do leave the chair.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

The Chairman: Order. The hon. member for Drummond-Arthabaska.

[Mr. Martin (Essex East).]

Mr. Argue: Mr. Chairman, I believe we were dealing with a point of order at one o'clock and if I might be allowed to say a few words on the point of order I would appreciate it. The hon. member for Essex East pointed out that when an item of a similar nature was debated on previous occasions a wide range of debate was allowed dealing with the government's agricultural program as it affected agricultural producers in the country. I feel that the hon. member who has the floor is in order when he puts forward a case for similar payments or treatment for farmers outside the three prairie provinces. I think this is in order. Perhaps a 30-minute speech dealing only with that point would not be in order, but I submit that pointing out why benefits to one area should apply to other areas should be pertinent to this item.

Mr. Harkness: On the point of order, I must take issue with the contention made by the hon. member for Essex East, particularly his statement that in introducing this matter in 1958 I made a long, general agricultural speech. If he will look at *Hansard*, which I hope he has done—

Mr. Martin (Essex East): I have it right here. I will deal with it.

Mr. Harkness: —he will find that I confined myself entirely to the matter of acreage payments. I did not make a general speech at all. The Prime Minister also did not speak on this estimate at that time. The Prime Minister in 1958 and again in 1960 made a statement in the house on general agricultural policy in which this matter was mentioned along with a number of others, but that was not as part of the discussion of the estimates in any way whatsoever. The Prime Minister made his statement on motions. Therefore the contention that the Prime Minister made a general agricultural speech on a similar item of estimates when it was before the house is not correct.

I should also like to point out that on the two previous occasions there was considerable difficulty because hon. members opposite tried to turn the debate on this particular estimate into a general agricultural debate contrary to the rules of the house. I would hope that we might have a ruling at the present time that the discussion will be confined to this particular estimate and that we will not go into all of the scores, even hundreds, of general matters which come under agriculture because that is contrary to the rules of the house and is not a means by

which the general business of the house can be dealt with and completed in any reasonable way. If we were to follow such a procedure we would be sitting here the entire year and would never come even close to getting through our business. Therefore I think it is a matter of some importance that the existing rule in connection with a discussion of this sort should be observed.

The Chairman: At the outset of this afternoon's sitting I would simply ask for the co-operation of members on both sides of the house. The rule on the matter, being standing order 59, paragraph 2, is, of course, quite clear.

Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

At the moment I would call upon the member who has the floor to proceed and I would ask him to conform to that rule and to the general practice of this committee. Hon. members will also appreciate that one cannot rule on points of order before they arise. The hon. member has the floor.

Mr. Martin (Essex East): Mr. Chairman, before the hon. gentleman continues—

The Chairman: Just a moment.

Mr. Martin (Essex East): On the point of order, Mr. Chairman—

The Chairman: There is no point of order before me.

Mr. Martin (Essex East): I wish to deal with what the Acting Minister of Agriculture has said.

The Chairman: I have made a few observations and the hon. member for Essex East made some observations on the same point before the adjournment, to which the minister has replied. As far as I can see, at the moment there is no point of order before the committee and I am asking the hon. member who has the floor to proceed.

Mr. Martin (Essex East): Mr. Chairman, that is all right as long as it is clearly understood that what the Acting Minister of Agriculture has said is not part of the ruling, because he has tried to suggest that the Prime Minister did not participate on this item in the general discussion. If you will look at page 4745 of *Hansard* for September 6, 1958, volume four, you will see that he did.

Some hon. Members: Order.

Mr. Martin (Essex East): I am perfectly in order in speaking at this time notwithstanding the irritation it may cause the parliamentary secretary to the Prime Minister.

The Chairman: Is the hon. member raising a new point of order?

Mr. Martin (Essex East): We are now in committee, and I have a right to rise and deal with the statement of the Acting Minister of Agriculture that the Prime Minister did not participate in a general debate in the discussion on a similar item. I am saying that *Hansard* at the page I have indicated clearly establishes that in the course—

The Chairman: Order. The hon. member will have the opportunity in committee, as he says, to explain his point of view fully, and I would give the floor to the hon. member who has it and ask him to proceed.

Mr. Martin (Essex East): Very well.

(Translation):

Mr. Boulanger: Mr. Chairman, when I was interrupted this morning following a point of order raised by the hon. member for Battle River-Camrose (Mr. Smallwood), I had just suggested that the government should provide assistance to western farmers who will be in need of cash and credit for their seeding operations this spring.

That suggestion did not seem to please the member for Battle River-Camrose any more than many others; of course, government members are systematically opposed to any suggestion made by the opposition and designed to improve conditions for our farmers.

If they really want to help the farmers, if they are sincere, if they want to help—

Mr. Ricard: This government has done more than any other previous government.

Mr. Boulanger: —those neglected citizens, as the Prime Minister used to call them throughout Canada during the election campaigns of 1957 and 1958, it is high time he proved his sincerity.

There is a problem which I should like to draw to the government's attention. It has to do with the damage caused by floods in eastern Canada and especially in my riding, the constituency of Drummond-Arthabaska, in the riding of my good friend from Megantic (Mr. Roberge) and in a few municipalities of Richmond-Wolfe county.

In September 1961, we had the worst storm our district has ever known. Torrential rains fell during three days causing floods and extensive damage.

Farmers lost their crops; they lost their farm buildings. Mr. Chairman, I ask—

(Text):

Mr. Ricard: We are on acreage payments.

Some hon. Members: Order.

Mr. Flynn: Mr. Chairman, I rise on a point of order. The hon. member is discussing a

matter which is entirely beyond the scope of the item before the committee. We are concerned only with acreage payments to western grain producers who suffered loss because of the drought during last summer. The hon. member is discussing a matter which relates to something entirely different, namely, the inundations which took place in certain ridings the hon. member has mentioned. I think he should adhere to the rule as it has been explained to him.

(Translation):

Mr. Boulanger: Mr. Chairman, when dealing with damages caused to farmers by drought conditions, I think we are also entitled to speak of damages caused by flood or other acts of God from which the farmer's income could suffer. We are now concerned with the eastern farmers. They lost their crops, their farm buildings. The roads—

Mr. Ricard: I rise on a point of order. The measure we are now discussing deals with drought conditions in the west, while the hon. member for Drummond-Arthabaska (Mr. Boulanger) is speaking about an altogether different matter, that is, too much rain. Could it be that he does not know the difference between rain and drought?

I believe you should call the hon. member to order and ask him to limit his remarks to drought conditions in the west, since that is what we are considering now.

(Text):

Mr. Martin (Essex East): I regret to have to intervene again, but Your Honour is now in the chair. This point is of vital importance in this discussion, so I think we will have to deal with it. The hon. gentleman whose observations are regarded by the Minister of Mines and Technical Surveys as being out of order has sought to indicate that this policy is inadequate because it does not cover a situation that requires attention in other parts of the country. The argument is that he has no right, on this item, to make that kind of observation.

I pointed out to the Deputy Speaker before lunch that this intervention was without any validity. I indicated that on two other occasions when this particular item was under discussion there had been a general debate on the problems facing agriculture as a whole, and that is the precedent—

Mr. Harkness: Incorrectly pointed it out.

Mr. Martin (Essex East): I will deal with that. The precedent for this course, as I pointed out, had been taken by the right hon. Prime Minister himself. He took advantage of the occasion to make a comprehensive statement on agricultural policy in which the hon. member for Assiniboia, the Leader of the Opposition and others took part.

Now then, just to show that what I have said is justified, on September 6, 1958, we were discussing this proposal of acreage assistance up to a maximum of $200. In that debate there was wide latitude permitted. I have before me the Prime Minister's remarks as recorded on page 4747 of *Hansard* for September 6, 1958 when the Prime Minister said, *inter alia*:

> Mr. Chairman, this is part of an agricultural policy designed, as the Minister of Agriculture said a moment ago, to meet an immediate situation. When the next session arrives we intend to introduce a measure for which the farmers have asked from the earliest days—

Then, he talked about the Prairie Farm Assistance Act and referred to all that had been done in the past. The Leader of the Opposition complained bitterly about the inadequacy of the particular proposal for $41 million, and that is what the hon. member for Drummond-Arthabaska is now doing. In this debate the Acting Minister of Agriculture, supported by his colleague the minister of mines, makes references which are not warranted under the rules or indeed by the very debates which I hold in my hand in an effort to try and preclude the hon. gentleman from saying that this measure is not adequate for the purpose intended and that it fails to take into account the inadequacies and the weaknesses of existing government policy. Now, for hon. gentlemen to try to restrict debate on this item is something which cannot be supported by the attitude it has taken in the past.

I am surprised that the minister of mines should have, so shortly after taking a post in the ministry, forgotten his experiences and sought to circumvent a decision which he himself made. We have great confidence in your judgment, Mr. Chairman. I know that you are not going to allow this party in this house to be overwhelmed or engulfed by a strong majority that seeks to impose closure on us every time we seek to speak for the farmers of this country.

Mr. Harkness: Mr. Chairman, if this were not a serious matter it would be laughable to hear the type of thing which the hon. member for Essex East has been saying. What he is doing is attempting to revive an argument which he made some time ago when the Deputy Speaker was in the chair and when the Deputy Speaker ruled, as a matter of fact, that the discussion of an item of the estimates should be strictly on that particular item. What the hon. member for Essex East is deliberately doing is to try to justify a full scale agricultural debate on this particular item.

Mr. Martin (Essex East): As the Prime Minister did.

Mr. Harkness: It is completely contrary to the rules of the house. The hon. member, as he himself admits, is trying to contravene the rules of the house and present some precedent from the past to justify his doing so. The Prime Minister did not make a general agricultural speech on this particular item. He got up to answer very briefly some of the points made by members on the opposite side of the house.

Mr. Chairman, as I indicated a short time ago when you were not in the chair, we had considerable difficulty in 1958 and 1960 in hon. members opposite trying to convert the discussion on this item into a general agricultural debate, and I do not think that should be permitted at the present time.

The Deputy Chairman: As the minister has pointed out, the rule of relevancy was referred to by the chairman of this committee a short time ago. Even if what the hon. member for Essex East states as a precedent is true, then I say a good precedent is not created by a bad precedent. I feel that perhaps the hon. gentleman who has the floor could relate his remarks more skilfully by analogy to the item under consideration than he has heretofore. If he did so I would be very tolerant. I trust he will co-operate with me.

An hon. Member: No one expected the Prime Minister to keep the rules a few years ago.

(Translation):

Mr. Boulanger: Mr. Chairman, I appreciate your remarks and I shall try to abide by them. If I refer to the damages we have sustained in eastern Canada, it is precisely to establish a comparison with those sustained by western farmers.

Western farmers have sustained damages which, according to some reports, amount to $500 million. This is the loss they are sustaining this year on account of crop failure. In eastern Canada, within a radius of a few miles only, farmers have lost perhaps one or two million dollars, not including buildings, bridges and roads. And when we want to talk about those losses, they would gag us. I regret that the hon. member for St. Hyacinthe-Bagot (Mr. Ricard) should have thought it proper to make such derogatory remarks; he will have to put up with the consequences. We have never refused to talk about damages caused to western crops.

Mr. Ricard: On a question of privilege. The hon. member for Drummond-Arthabaska (Mr. Boulanger) says I have made derogatory remarks detrimental to the farmers of my constituency. This is absolutely contrary to the facts. If there are some who know that I have their interests at heart, it is precisely the farmers of the constituency of St. Hyacinthe-Bagot. On the other hand, if I rose a moment ago—

(Text):

The Deputy Chairman: I am sorry to interrupt the hon. member but I am listening for his point of privilege. If there is one coming I hope he will put it to me quickly.

Mr. Ricard: The hon. member for Drummond-Arthabaska said I had neglected the interests of the farmers in my constituency. This is altogether contrary to the facts because, all through the years since I was elected a member of parliament—

Mr. Martin (Essex East): Order.

Mr. Ricard: —I have defended the interests of the farmers of St. Hyacinthe-Bagot and the hon. member for Drummond-Arthabaska should be the last one to come in here and say I have not.

The Deputy Chairman: Order. I am sure the hon. member for St. Hyacinthe-Bagot will have an opportunity to make a speech of this nature at the appropriate time.

Mr. Martin (Essex East): Six o'clock.

(Translation):

Mr. Pigeon: What have you done about that matter during the 22 years you were in power?

Mr. Boulanger: Of course, we could not go through a discussion like this one without some comments from the hon. member for Joliette-L'Assomption-Montcalm.

Mr. Pigeon: Twenty two years of doing nothing before speaking up.

Mr. Boulanger: The province of Quebec has made a request to the federal government for a substantial assistance in order to help the eastern farmers. I only wish to add a few words to support the request from the government of the province of Quebec. I think the Prime Minister (Mr. Diefenbaker) and the Minister of National Defence (Mr. Harkness) have a splendid opportunity of telling us today what the government is going to do about the request which the government of the province of Quebec, our farmers and myself have made with a view to obtaining relief for that area.

(Text):

The Deputy Chairman: Shall the item carry?

Mr. Argue: I listened with a great deal of attention when the Acting Minister of Agriculture was introducing this item, and I appreciated the information and statistics he gave us.

On this occasion he engaged in very little extraneous argument but merely set forth the views of the government justifying this payment to producers in various categories. However, the first thing which strikes me in regard to the government's attitude is the long delay in making an announcement. For a great number of years farmers have been pressing for parity prices for agricultural products. In asking for parity prices they sought a set of prices related to costs of production. They did not in any way ask for handouts or charity.

One of the reasons so many members from the three prairie provinces sit on the government side of the house was the belief which producers in western Canada had in the Prime Minister, when he told them during the election campaign that there would be charity, not parity.

Mr. Martin (Essex East): It is the other way around.

Mr. Harkness: He is always twisting something.

Mr. Argue: I think I have been around some of the members opposite a little too long. The Prime Minister promised parity not charity, but the farmers have waited a long time for parity prices. The principle of parity prices has not been applied to a single farm commodity since this government was elected.

Other measures have been brought in by the government to deal with prices of agricultural products, but in almost every instance the action taken by the government has meant lower support prices, less support, and a smaller guarantee than the farmers had previously. The government has only acted in regard to these payments after a great deal of pressure. Its first announcement that $1 per acre would be paid was made early in August, 1958, after the government had been returned to office, and after farm organizations had continued to press every strongly for parity prices and deficiency payments.

The payments brought forward at that time were made applicable to the 1958-59 crop year and paid on those permit books. Western farmers were dissatisfied with the action which was taken and hoped that in the future the government would do more. They were determined that the government should do no less than provide the $40 million which had been put forward in the estimates in August 1958. We waited during the year 1959 for an announcement by the government. None was forthcoming. No announcement of any payment was made during that year. After persistent pressure from agricultural organizations, after a delegation of more than a thousand farmers marched on Ottawa. After protracted correspondence with the government, an announcement was made on August 8, 1960 that a dollar an acre would again be paid on acreage up to a maximum of 200 acres and that this would be paid on the 1959-60 permit books. Thus, with the announcement on August 8 the farmers did receive $1 an acre in accordance with this formula for 1958-59. With the further announcement a dollar an acre was forthcoming on the 1959-60 crop.

Producers had reason to expect that last year, again, the government would make an announcement that it was paying a dollar an acre on the 1960-61 permit books. I asked the Prime Minister in the house last fall whether he intended to take this action but all we got was the brush-off.

Mr. Martin (Essex East): The hon. member asked him in July, too.

Mr. Argue: I asked him before that. I asked him a long time before that. The Prime Minister went out to western Canada in the summer and said everything was fine, that crop conditions were better than they had been—

Mr. Pascoe: So they were.

Mr. Argue: The hon. member for Moose Jaw-Lake Centre says: "So they were". I could tell him that a lot of farmers in south Saskatchewan resented very much that the Prime Minister did not go to the southern part of the province and see what conditions were like there, because the crops were almost zero.

Mr. Pascoe: You are their spokesman.

Mr. Argue: I am their spokesman and I do not put forward the tripe that is just put forward now by the hon. member for Moose Jaw-Lake Centre in agreeing with the Prime Minister. In large parts of my riding the P.F.A.A. inspectors report that three farmers out of four have zero carryover and zero yield. How much worse off would the hon. member for Moose Jaw-Lake Centre want the farmers to be than that? But the Prime Minister said he had looked at the crops and was happy because things were better than he had expected. This was at a time when thousands of farmers had no crops at all. Then the right hon. gentleman delayed some more; he delayed until this session opened. More pressure was brought to bear on him to act. Then, somebody wrote the speech from the throne. I take it it was the Prime Minister,

though the Governor General reads it. And in the speech from the throne the following statement is made:

> The drought in the prairie provinces during 1961 has resulted in severe losses ... and you will be asked to provide assistance by means of acreage payments to the farmers who have been affected.

Well, I hope the government does that. The announcement made today does not derive from that statement in the speech from the throne because, as hon. members will have seen, the statement in the speech from the throne says there will be acreage payments to the farmers who have been affected by the drought. All they are doing in this thing is to use the same old catch all, paying it to a farmer with 40 bushels an acre as well as to the man who had a zero yield. Either the Prime Minister does not watch very carefully the things he writes when he is supposed to be writing the speech from the throne or—and I hope this is correct—the thing we are dealing with today is not the policy forecast in the speech from the throne.

I say this because the provision before us today has absolutely nothing to do with drought—nothing whatsoever. This money is to be paid to grain producers, wheat producers, barley producers, oats producers and to the men who produce hay. It is paid to many men who produce livestock and sell no grain. It is paid to people who do not sell a bushel of grain. It has nothing whatever to do with drought. I suggest the farmers of western Canada will be looking to the Prime Minister to fulfil by way of legislation the undertaking announced in the speech from the throne, namely to bring in acreage payments to the farmers affected by drought. The farmers who have been so affected have put forward their case for acreage payments. That has nothing to do with this proposition whatsoever. The farm unions, by way of a policy statement submitted to the government, have asked for a $5 per acre payment to farmers who have experienced crop failure as defined in the Prairie Farm Assistance Act, namely, a yield of less than 12 bushels per acre. They have asked for an acreage payment up to $1,000 for farmers who have suffered crop failure. I have a resolution on the order paper asking for similar action to be taken, asking that there be an expansion of the provisions of the Prairie Farm Assistance Act so that farmers who have experienced crop failure may receive compensation in a more adequate fashion. My resolution asks that the payment be increased and that the acreage on which the payment may be made should also be increased.

The announcement which was made today will be a great disappointment to western producers, because as far as western producers are concerned it will be considered to represent just half as much as they felt they had a right to expect. The Prime Minister announced an acreage payment on the 1958-59 crop year and an acreage payment on the 1959-60 crop year. Now he has skipped a year. The announcement today is merely in respect of the 1961-62 crop year. The farmers will realize that they have been gypped by the omission of the crop year 1960-61. The Prime Minister says it is for the two-price system. In the speech from the throne he said it is for the drought. This has nothing to do with the two-price system, though that is what he said. Why did he not have it for the two-price system in 1960-61? What was wrong with paying it in that year? Why miss a year? At least we know why this one is being included. It is an election year.

Mr. McIntosh: On a question of privilege, the hon. member for Assiniboia has been making statements saying that the Prime Minister had said this, and had said that, without giving the committee any authority in support of those statements. He has not told us where those statements were reported or recorded and I should like to know where the hon. member gets his authority for attributing, for instance, the words "parity not charity". I should also like to know what is his authority for saying that when the Prime Minister came back from the west he said conditions were not as bad as he had thought.

Mr. Argue: I am disappointed that the hon. member for Swift Current-Maple Creek should stand up and repudiate this promise made by the Prime Minister time and time again that we would get parity not charity. My authority for what the Prime Minister has been saying is the speech from the throne. He may say that the Governor General wrote it himself and did not ask for any advice, but with the words that were placed in the mouth of the Governor General the Prime Minister has said the acreage payment will be made to the farmers who have been affected by the drought.

Of course, this has not been done. This apparently is not going to be done. I should like to know from the gladiators from the prairies who sit on the government side of the chamber whether they think the farmers have a right to expect a payment for the 1960-61 crop year.

Mr. Nugent: On a point of order, Mr. Chairman. You did not deal with the last point. The hon. member has not quoted any authority for what he has said; he is merely trying to misinterpret the point of order of the hon. member. He said he repudiated the

Prime Minister. There was no such suggestion. I think the point of order was well taken. The hon. member says he is quoting the words of the Prime Minister and I think it is perfectly in order for an hon. member to suggest that the hon. member who is quoting someone should give a reference of when and where such a statement was made.

Mr. Argue: Mr. Chairman, I do not mind these interruptions as long as you keep track of the time taken up by these interferences. It is interesting to note how widely the Prime Minister is being repudiated, and I suggest that when—

Mr. Nugent: On a point of order, Mr. Chairman.

Mr. Argue: There is another phony point of order being raised in the wings there.

Mr. Nugent: The hon. member is interpreting my words as meaning that the Prime Minister has been repudiated. I am merely saying that the hon. member who is purporting to quote the Prime Minister should say when and where he was speaking. The hon. member says this is a phony point of order. Certainly if the objection taken to the last point of order was sound, this one is not. This one is ill-taken. I would ask the Chair to kindly direct the hon. member to give his reference and quit giving these phony references to mythical speeches.

Mr. Argue: If I may continue with my remarks that are causing so much consternation among the members on the government side of the chamber—

Mr. Nugent: These misquotations always cause consternation.

Mr. Argue: The farmers of western Canada will be deeply disappointed that this government has omitted in the payments to them the crop year 1960-61. Of course, this is the way the Prime Minister works. The Prime Minister will not say on a given occasion the policy of the government with relation to acreage payments over a period of time. No, it is a hit or miss affair. He wants them to come begging. He wants to keep them on tenterhooks. He wants to have a carrot on the stick. He wants to feed them a little before the election and withdraw it after the election if he should be in that position.

I do not think this is the way either to treat the agricultural producers or the House of Commons. If we are to be dealing periodically with a measure to pay $1 an acre to western farmers under a certain formula, then I suggest the government should put forward this policy in legislative form and place it on the statute books so that the legislation is made in an equitable, regular manner and is not in this most unsatisfactory way of having an item in the estimates one year, missing a year and putting it in the estimates at some later time.

But the Prime Minister thinks in every field, apparently, as a politician. He has come to the conclusion that he can garner more votes by this slipshod method of dealing with a very important question. The Prime Minister would like western Canada to think that he is the only Prime Minister who has ever done anything for the grain producers. He would like them to think that his legislation has put more into the pockets of the grain producers than other legislation.

I have debated in this house for many years with former minsters of agriculture and trade and commerce, but there was one policy that was placed on the statute books in 1956 that I feel was a good one. That had to do with the national treasury paying the carrying charges on stocks of wheat held at the end of each crop year in excess of 178 million bushels.

This kind of payment is a regular one. This kind of payment is placed on the statute books. This kind of payment may not receive the same spectacular publicity because it is sure and it is certain. But I suggest it is a much better way of handling the business of this country than by the political method of the carrot on the stick, where you can have a nibble before the election and you are forgotten the year after the election.

In 1957-58 under this particular policy $33 million was paid to the grain producers of western Canada. In the next year, $40 million was paid and in the next year $38 million. In 1960-61, $42 million was paid, and for the present year it is estimated at $49 million.

Mr. McIntosh: Did you call it peanuts then?

Mr. Argue: Under this policy of paying money into the wheat board fund for storage on wheat that was held in excess of 178 million bushels the treasury has made over the years, I estimate, total payments of $202 million, as opposed to the $126 million that will be paid in the three years in which the $1 an acre has been paid.

I am not endeavouring to set one policy against the other on the basis of which policy is the better one, but I do say to this government that if their policy is $1 an acre, it should be in the statute books; it should be regularized. It should not be available only when the Prime Minister is in the right frame of mind and decides that this is the politically opportune time to bring forward this kind of payment.

The policy that is being put forward today has been put forward on the ground that it is a help to the small farmer. It is a help to some small farmers, but it is a help to

the big farmers. There is a ceiling on it of $200 payable to every farmer who has 200 acres or more in crop. But according to the figures put forward by the minister this morning it is only the small farmer who does not get the full benefit. According to the figures put forward by the minister this morning 20,000 farmers with 99 acres or less will get less than $200. Another 55,000 farmers with acreages of between 100 and 199 will get less than $200. So that about one third of the farmers on the prairies will get less than the $200 put forward in this proposal. Therefore it is not something that provides a minimum payment, a guaranteed basic, floor payment to the small farmers. Instead it is put forward on the basis of a payment to farmers, one third of whom will get less than the $200.

We are still looking forward to the government fulfilling its promises of bringing forth parity prices for agricultural products, and the argument in favour of something more being done is the tremendous increase in the farmer's cost of production over the years.

The 11-factor index for the farmer's cost of production stood at 170.4 in 1947. The last figures I have available show that the index today is 286 and it has gone up 27.5 points since 1957 when this government took office. It is the price cost squeeze resulting in higher and higher costs for farmers in western Canada that has created this demand for acreage payments, for deficiency payments, for income supports of one type and another. I can understand spokesman for agriculture from other parts of Canada saying "We want a payment like this" or "We want some other payment to equal this". This payment is made on the basis of acreage and farmers who produce in eastern Canada have acres just the same as have farmers producing in western Canada. This proposition is not put forward as a well defined policy. It is put forward on a temporary basis. It is not put forward with a formula attached that will be used year after year. I think it is a slipshod way of doing business that will be bound to create in the country much more resentment than would be the case if it were made. That would remove controversy on this question from parliament year after year.

This provision in itself is not nearly enough to meet the agricultural situation as we find it at this time. If the farmers of Canada, are to get a square deal I suggest that the government should provide a system of deficiency payments for grain. These deficiency payments should be based on a formula and they should be designed to give the farmer parity prices for his grain products. Second, I would suggest that there should be a large expansion in prairie farm assistance payments that are made; that there should be an increase in the acreage on which payments can be made from 400 to 600 acres; that there should be a thorough overhaul of the government's crop insurance scheme; and that the federal government should bear a much larger share of the burden and should do more than merely agree to pay 20 per cent of the forecast premiums under this legislation.

Third, I would make this suggestion. If the government really wants to do something in a major way for small farmers, I would suggest that in addition to anything that is being done today the government should provide floor prices, and not this hocus-pocus of a national average that is in the agricultural prices stabilization legislation. I submit that the government should provide floor prices on hogs, eggs and poultry.

The farmers would not be asking for deficiency payments or acreage payments if they were getting parity prices. In recent months there has been a considerable improvement in the selling price for Canadian grain. As a matter of fact there would seem to be a real indication now that Canada, along with other nations of the world, may be able to negotiate a new international wheat agreement that will provide substantially higher prices. My fourth suggestion is this. In the present context of the international wheat situation I would think that the Canadian government should endeavour to have the international wheat agreement renegotiated with its target being an increase of 50 cents per bushel in the floor price and an increase of 50 cents per bushel in the ceiling price. This action would bring these prices more in line with the guaranteed prices that are obtained by United States grain producers and would be reasonably in line, I feel, with the upward pressure on wheat prices throughout the world at this time.

As a fifth point I would suggest that at this session the government should amend the Canadian Wheat Board Act so as to make it permanent legislation. I suggest that the government should not have it contain a date at which it terminates unless it is otherwise extended but should make it permanent legislation, in order to reassure the producers of western Canada that the government will maintain the Canadian wheat board.

As a sixth point, I would suggest the government should increase the scope and the powers of the Canadian wheat board and that this government should cease weakening the Canadian wheat board by taking feed

grains sold to feed mills from under the jurisdiction of the Canadian wheat board. The jurisdiction of the Canadian wheat board over feed grains should be restored. The Canadian wheat board legislation should apply to rye and flax.

As point number seven I would suggest that, in addition to window dressing and printing pamphlets, the government should take some action in connection with A.R.D.A., the Agricultural Rehabilitation and Development Act, should sign an agreement with the provinces in order to obtain for livestock producers—

The Deputy Chairman: Order. I think I have been very charitable in allowing these planks to be placed before the committee in respect of all other fields of agriculture except the one in the item under consideration. I would ask the hon. member who has the floor and whose time expires in one minute or so, to hearken back to the subject under consideration.

Mr. Argue: I would hope, in view of your ruling, that would mean that I have some further time because of the interruptions.

An hon. Member: Keep in order and you will not be interrupted.

Mr. Argue: To conclude, Mr. Chairman, I wish to say this. As far as the livestock producers are concerned, which this $1 an acre will help in exactly the same way as it will help the grain producers, one of the things necessary for the government to do in order to improve their situation is to provide them with access to grazing, by an increase in community pastures and by redevelopment of the kind the government has been talking about.

As an eighth alternative or addition to the things that are now being done, I would suggest that the government should protect the long gains of western producers in many fields. This measure will be of some assistance because $200 is better than nothing. However, the $200 payment will scarcely pay for the 3 per cent increase announced a few weeks ago in the prices of farm machinery charged by the International Harvester Company. Welcome as it is, this $200 will in no way compensate the farmer for the increased costs that will follow if this government and future governments were foolish enough to allow the suggestion of the royal commission on transportation to go forward and abandon most of the railway lines in western Canada, thereby increasing the cost of marketing grain by an enormous amount.

In conclusion, Mr. Chairman, may I say that this item is welcome. It is better than nothing. Previously I had called it peanuts in relation to farm costs. The bag that contains the peanuts is smaller for the small farmer than for the larger farmer. This is small compensation for the huge increase in the cost of farming and the cost of production. I suggest that the very minimum the Prime Minister should do is to make this payment on the 1960-61 crop year as well as in the present year and to make this legislation permanent.

Mr. Jorgenson: For the third time in a row now, Mr. Chairman, we have heard this same speech from the hon. member for Assiniboia in which he uses this opportunity to lay down the various shaky planks in his election platform. He uses this as an opportunity to make his one agricultural speech in the session and to create the impression that he is doing his bit here in the House of Commons in order to help the farmers he represents.

I think perhaps we can best deal with the contribution he has just made by reading an item which appeared in the Regina *Leader-Post* of October 20, when the opposition in the legislature were criticizing the government for the action during the drought. It reads as follows:

> Existing government policies of help to farmers had made it unnecessary to call a special session of the legislature to deal with the 1961 farm crisis, provincial treasurer Woodrow Lloyd said Thursday.

So his colleagues in the province of Saskatchewan do not agree with him when he says that conditions in the drought areas of Saskatchewan were so severe that additional assistance must be provided by the government. There is an article in the same edition of the Regina *Leader-Post* quoting Mr. Nollet, the provincial minister of agriculture, to this effect:

> —the government had done everything possible to help the farmers both to fight grasshoppers and to help overcome the effects of the drought... He charged that the Liberals only wanted to stir up a fuss in the face of a calamity to try to get people to believe them. He said it was "the poorest kind of political practice that could ever be followed, since it put a very low level of intelligence on the people of the province."

That is precisely what the hon. member for Assiniboia is attempting to do today. His statement that price supports have been lower since the present government took office is completely false. In most cases price supports have been raised and a larger number of farm commodities have been brought under support. Surely the hon. member does not expect he is going to get anyone to believe that his statement that price supports have been lowered is the truth. The hon. member went to some length to be critical of the Prime Minister and the Minister of Agriculture in their efforts to do something to help the farmers of Canada. I think his criticism can be effectively refuted by an article that

appeared in the December issue of *The Country Guide*. As everyone knows, *The Country Guide* is a very objective and independent paper. The title of the editorial is, "Hurrah for Mr. Hamilton", and it has this to say, in part:

> But setting the drought problem aside for the time being, it should be recognized that there have been a number of positive steps forward and several important breakthroughs in the field of farm policy in the past year.

The editorial goes on to say:

> The Hon. Alvin Hamilton has held this post in the federal cabinet for just over a year now. To our way of thinking, he is proving to be an excellent minister of agriculture.

I do not want to trespass on the rules of the house, Mr. Chairman, but I feel that a number of the charges that were made by the hon. member when he digressed from the item in question must be answered. I think I should have the same leeway in replying to those accusations as he had in making them. The excerpt I now wish to read is in answer to the criticism of the hon. member that the Department of Agriculture is carrying on too much publicity. This is what *The Country Guide* has to say about the matter:

> He has made a special effort to explain the problems of agriculture to the consuming public in order to gain understanding and support for needed agricultural policies. He has launched an effective publicity campaign on his departmental programs to ensure that farm people will be fully familiar with how to make the best of the opportunities and assistance they provide.

The editorial goes on to say:

> First, the Canada Department of Agriculture must change its emphasis from the production or supply side to the demand side of the market. Second, ways must be found for the federal government to work in greater harmony and co-operation with the provinces on agricultural programs.

That is precisely what the minister is doing.

> Third, agriculture must work in greater co-operation with the other resource industries in Canada. Each of these three approaches is commendable.

In conclusion this statement is made:

> A great many things remain to be done.

We are the first ones to admit that the problems of agriculture as well as the problems of any other industry in this country are never completely solved.

> However, his willingness to act on any valid complaint or promising proposal, his boundless energy and enthusiasm, his sound philosophy and imaginative approach to the problems of today and tomorrow, are not only commendable characteristics, but provide hope for agriculture that has been sadly lacking in recent years. May his efforts in 1962 be as rewarding for agriculture as they have been in the year that is about to close.

Contrary to what the hon. member has been saying, these are the views of the farm organizations. This is what they are saying about the government and the Minister of Agriculture. I wish to refer to another item that appeared in the Winnipeg *Free Press*, I believe it is, of January 13. It has reference to a statement made by Mr. S. E. Ransom, president of the Manitoba federation of agriculture, and is in these words:

> Canadian agriculture has about reached the limit of support and intervention it can expect from governments, S. E. Ransom, Manitoba federation of agriculture president, said in Winnipeg Friday . . . He cited the recent passing of the Agricultural Rehabilitation and Development Act as a case in point, and called for steps to be adopted along the same lines whereby farmers and farm groups could do something constructive to get themselves out of the dilemma of high cost, low return production.

The farmers themselves recognize what the government is doing to try to assist them. They are organizing in an effort to co-operate with the government, as the minister has pointed out on so many occasions and, as is stated in the editorial in *The Country Guide*, the minister is working for greater co-operation between farm organizations and the federal and provincial governments and related industries. We feel that this is an effective way in which the problems of agriculture can be met, first of all by government legislation designed to assist the farmers to help themselves; second, by greater co-operation and, third, by government policies designed to relieve some of the distress that exists because of low income and low yields.

No one on this side of the house has ever tried to create the impression that acreage payments are intended to be the answer to the agricultural problem. They are a measure designed to offset the effects of low income as a result of drought last year. They are intended to assist farmers, particularly those in the lower income range, to maintain their farming operations until they have had an opportunity to take advantage of the different pieces of legislation and types of assistance available to them under this government.

The hon. member for Assiniboia has criticized several of them but he is critical in the same way that Mr. Nollet has accused the opposition in the provincial legislature of being critical. Crop insurance has not been fully applied across the country but I have no doubt that it will be. The reaction in the province of Manitoba because of the drought is an indication that there is going to be a greater signing up of farmers under the crop insurance legislation than ever before because after the drought last year they realized what crop insurance could do for them.

The efforts that the Minister of Agriculture has made to get rid of our wheat and, indeed, the efforts of the Minister of Finance, have

resulted in approximately a 20 cent increase in the price of wheat. Yet the hon. member for Assiniboia has the audacity to stand up here and say that prices have been reduced, that prices are going down and that there is less support. I challenge him to show me where price supports have been lowered on any commodity in this country, particularly in the past few years. I challenge him to go to the people of his constituency and, indeed, to the western provinces generally and spread the same type of claptrap that he spread this afternoon and try to get away with it.

Mr. Argue: Before the parliamentary secretary sits down I should like to ask him a question. Is he aware that in recent months many producers in western Canada have been selling eggs at 15 to 20 cents a dozen, and does he think that is an adequate support price?

Mr. Jorgenson: As the hon. member well knows the price support policy on eggs is based on the national average.

Mr. Argue: That is the trouble; that is what I said.

Mr. Jorgenson: At the end of the year, if the price is below the level that is set by the stabilization board, the farmers will be compensated and the hon. member knows that full well.

Mr. Argue: But there is no floor price.

Mr. Martin (Essex East): I am sure we all regret that the Minister of Agriculture, because of illness, is not in his seat and, on that account, is not able to introduce this measure, initiated today by the former minister of agriculture, the present Minister of National Defence. I am sure, too, that on the occasion when we first discuss a matter concerning agriculture, we noted with considerable regret the recent death of a former minister of agriculture, the late Right Hon. J. Gardiner. Mr. Gardiner, regardless of whether or not one agreed with him, was deserving of high tribute from the Prime Minister, who led the nation in expressing deep sorrow at the passing of one who had contributed so much to Canada and to agriculture. As a former colleague, I take this occasion to express in this house my own inadequate but sincere tribute to a great minister of agriculture, one who did so much for western Canada and who was one of the great parliamentarians of this period in Canada.

This measure, Mr. Chairman, was announced not in parliament but on the occasion of a visit by the Prime Minister to his constituency last fall. It was an announcement made at a time when I believe the Minister of Agriculture was in the province

of Saskatchewan, meeting, at the same time, representatives of certain farm groups. The Calgary *Albertan* observes that the Prime Minister made his announcement of this acreage assistance following the pattern of the two previous occasions when this method was used, to constituents of his in a theatre that had seats for 800 but where only 700 people were in attendance. In any event, the Prime Minister, of course, had a right to choose this way of making the announcement, but it is an announcement that came under circumstances that at least must be questioned.

As late as last July, the hon. member for Assiniboia had asked a question of the Prime Minister in this house, and questions were put by other members of the opposition in the month of September last, as to when the house might be expected to deal with the legislation that had been forecast in news stories some time in the month of July. As I say, however, it was only last fall that the Prime Minister gave a positive announcement of the government program. When the Prime Minister did make the announcement I suppose that one would regard the observations of Mr. Rudy Usick, the president of the Manitoba farmers union, as typical of the complaints that were registered against the inadequacy of the particular program. Mr. Rudy Usick associated with his complaint the fact that since the first acreage covered the crop year from August 1, 1958 to July 31, 1959, the second covered the calendar year 1960, and the third covered the crop year August 1, 1961 to July 31, 1962, the farmers had been done out of payments for five months of 1959 and seven months of 1961.

This point was made by the hon. member for Assiniboia and has not been replied to by the parliamentary secretary who has just taken his seat. One of the most amazing things about this program is, as the hon. member for Assiniboia has said, that this is not a fulfilment of the promise made by the government and notably by the Prime Minister when he was leader of the opposition and later during the course of the federal election. At that time, he indicated to the people of Canada what his government would do to try and remedy the situation that confronted Canadian agriculture. The hon. member for Assiniboia and my colleague, the hon. member for Drummond-Arthabaska referred to the promises made by the Prime Minister. We were not going to have mere handouts such as this, good as it is, inadequate as it is, we were going to have a comprehensive program; parity not charity. When that statement was made, hon. gentlemen opposite asked, what was the source, what was the authority for saying that the Prime Minister

had ever said that parity not charity would be the objective of his party when it constituted the government of this country.

No source was given for the statement. Let me remind hon. gentlemen that there will be found at page 2021 of *Hansard* for March 12, 1956 these words spoken by the Prime Minister:

> The squeeze which the farmer suffers results from the disparity in the relationship between the prices of farm products and the prices the farmer has to pay. When they are in proper relationship parity is established, and it is parity that the farm organizations across this country are asking for today. Not charity but parity.

There is my reply which the hon. member for Assiniboia did not give to the hon. member for Swift Current-Maple Creek. Hon. gentlemen will also find, at page 2026 of *Hansard* for March 12, 1956, that the Prime Minister expressed this objective in the form of an amendment which he moved. This amendment reads as follows:

> That all the words after "that" be struck out and the following be substituted therefor:
> in the opinion of this house consideration should be given by the government to the advisability of introducing during the present session legislation to create a parity of prices for agricultural products at levels to ensure producers a fair price-cost relationship.

There is the authority in so far as the records of this house are concerned. If any more proof is required, I ask my hon. friend to look at what the Prime Minister said in Toronto in his opening speech of the campaign on April 25, 1957; I ask them to read what he said as recorded in the Winnipeg *Free Press* on April 26 and likewise to look at what was reported in the Toronto *Globe and Mail,* indicating that the Prime Minister said on the hustings precisely what he has said in this house that what he was going to give the farmers was not $1 per acre with a maximum of $200, not charity but parity. This was the assurance given by the Prime Minister, who is in the house today, to the farmers of Canada. What do we have now? We have for a third time—

Mr. Horner (Acadia): We have $1.90 a bushel wheat.

Mr. Martin (Essex East): —something altogether different from the promised comprehensive program based upon a continuing body of principles as envisaged by the Prime Minister at that time. Let the government, the Acting Minister of Agriculture and the parliamentary secretary not seek to indicate that by coming forward with this measure they are fulfilling their promises. The Prime Minister boasts of having fulfilled almost all of his promises. Well, we all know the extent to which there has been any fulfilment, and if there is one area where there has been no implementation of promises made by the Prime Minister, it is in the field of agriculture.

Mr. Horner (Acadia): Nonsense.

Mr. Martin (Essex East): This particular program is now brought forward at a late date in spite of assertions and hints as to what was going to be done, assertions made no later than last summer.

Mr. Horner (Acadia): That is just plain tommyrot.

Mr. Martin (Essex East): Hon. gentlemen are indicating that they do not like my remarks. They do not like to be reminded that the farmers were promised a new earth. They do not like to be told that if there is one section of the Canadian electorate that is disappointed with the government it is the farmers of Canada. They do not like this.

Mr. Horner (Acadia): That is all hogwash.

Mr. Martin (Essex East): That is why we are hearing these sitting contributions to the debate, by way of a continuous effort on the part of those who sit behind the Prime Minister to hinder those in this party who are determined to expose the government once again in this session, as it deserves to be exposed, because of the inept way in which it is conducting the affairs of the country.

Mr. Horner (Acadia): You know so much about agriculture that you cannot even talk sense about it.

The Deputy Chairman: Order.

Mr. Martin (Essex East): We who come from eastern Canada recognize that the farmers of our country, particularly those in western Canada, are facing great problems but we recognize it is our duty not to view those problems sectionally but in the light of constructive solutions.

An hon. Member: Like the Liberals did.

Mr. Martin (Essex East): We give support to this measure, but at the same time we say to the government there are other sections of agriculture, for instance, the farmers in the township of Sandwich East in my own riding, in the community of Tecumseh, who last year suffered crop losses for which the government, in spite of representations, have not agreed to make any compensation. What we do for the western farmers, and what we should do for the eastern farmers, is to bring in measures which will apply equally to all sections of Canadian agriculture.

Why was this program not brought forward a long time ago? Why was it not brought forward last summer when the house was in session? Why was it not brought forward in the month of September when the house was

in session? It was because at that time the Prime Minister had not decided on calling a general election. It is brought forward now because he realizes his strength has disappeared in western Canada. Because of that he seeks by this measure to recover his lost popularity and prestige, lost even in Prince Albert. I say the measure should have been brought forward at least last summer. I do not say that it represents all that should have been done but, if this is all the government is prepared to do to meet the situation facing the farmers of Canada, then it should have been introduced at a time when the farmers would not have lost five months of the crop year.

What is the explanation given by the government with regard to this matter? We have a most amazing situation. At the end of November, 1961, the Minister of Agriculture was asked if the government was going to bring forward the much-mooted acreage assistance plan. Here is what he said as reported in the Saskatoon *Star-Phoenix* on November 29, 1961. It is headed:

Hamilton holds out promise of payments on acreage plan.

This is a statement I now read, not on the hustings but on the floor of parliament where we all have a responsibility in the light of our acknowledged recognition of what is the function and obligation of parliament in the voting of public money. At the time he made the statement no money at all had been voted. Parliament had not dealt with this matter. We are dealing with it now for the first time this session, and yet the Minister of Agriculture sought to convey to the farmers in western Canada that the government had authority to pay out this money. Listen to the statement which the minister made:

It's not a matter of money, but machines.

Today Hon. Alvin Hamilton, home from grain-selling trips which have taken him half way around the world, said that there would be no farm acreage payments in this calendar year. He did not attribute this to lack of federal dollars but said that the cheque machines required to roll out the barrels of money were busy with other financial details.

The agricultural minister did say the federal government had not abandoned the principle of acreage payments to western farmers.

I say, Mr. Chairman, that statement of the Minister of Agriculture was an inaccurate statement. The statement as reported, is an inaccurate statement.

An hon. Member: As reported.

Mr. Martin (Essex East): The reason the money was not paid out in November, or earlier, was because the government had not come to parliament and asked it to vote the necessary assistance to the farmers of western Canada. That was the reason, and let the western members who sit in the house today write to their constituents and tell them the Minister of Agriculture was wrong, wholly wrong, in saying that the reason this money had not been paid out earlier was because the machinery for issuing cheques had broken down.

The Prime Minister laughs, but I ask him to listen to another statement made by his Minister of Agriculture, which I take from the Winnipeg *Free Press* of December 1, 1961. The headline is:

Farmers will get paid before Yule.

And the article states:

Mr. Hamilton said acreage payments still are under consideration by the government but it will be technically impossible to make acreage payments this year because cheque machines are being used for the oats and barley pools and the interim wheat payment.

An hon. Member: What is wrong with that?

Mr. Martin (Essex East): It is an untrue statement. That is what is wrong with it. The reason the cheques were not paid out was not because of faulty machinery in issuing them but because the government did not come to parliament and ask for authority to vote the moneys required to make these acreage payments. That is the reason that should have been given to the farmers of western Canada at that time, but it was not done. The Prime Minister made his announcement at Prince Albert and said nothing about the breakdown of machinery for the issuing of cheques. He made a forthright statement to which no exception could be taken in its accuracy of terms, but just a few days previously the Minister of Agriculture had created the impression that the money was then available, that it would be paid out to the farmers of western Canada and that the only reason for it not being paid out was because the system for issuing cheques had broken down.

Mr. Southam: Nobody said it had broken down.

Mr. Martin (Essex East): My hon. friend must not have been listening with great attention when he says nobody said it had broken down. That is what the Minister of Agriculture did say.

Mr. Horner (Acadia): Quote him.

Mr. Bell (Saint John-Albert): Verbatim.

Mr. Martin (Essex East): This was the report.

Mr. Horner (Acadia): You are just backing down now.

Mr. Martin (Essex East): This vote represents an ad hoc way of dealing with a particular situation. There is no government policy involved in the pattern of this program. This is a single item, a palliative designed to give relief. It will give relief to an extent, but not to the extent envisaged by the kind of all-embracing statement made by the Prime Minister in his statement of agricultural intentions in the house on August 8 last year.

This is not a program based upon a continuing policy. This is not a grant related to the cost of production or to prices. The Prime Minister said that the agricultural policy of this government would be one which would take into account the cost-price squeeze and the disparity of farm prices in relation to the income of other classes in the community. He said it would be a program related to the cost of production and the revenue which farmers receive for the sale of their products. This program, good in so far as it goes, in no way meets the extravagant, comprehensive assurances given to the people of Canada by the Prime Minister.

As I mentioned a moment ago, it certainly is not what he said on March 12, 1956 in this house. It certainly is not a grant by way of deficiency payments. It certainly is not a grant made under the Agricultural Stabilization Act of which the Acting Minister of Agriculture claims authorship. It has no relation to the general problem of agriculture and no relation whatever to the general economic situation facing the farmers of Canada. It is obviously a compromise between the demands made by certain western ministers in the cabinet and the stand taken by the Minister of Finance who apparently day by day increasingly resists the demands made by his colleagues for further expenditures of public money.

Mr. McIntosh: I wonder whether the hon. member is aware that the reason why wheat, oats and barley are not covered by the stabilization act is because of the request made to that effect by organized farmers in the west?

Mr. Martin (Essex East): Quite. I am not saying that is not the case. I am saying that this particular program calling for expenditure of $40 million based on the payment of $1 assistance per acre up to 200 acres is not related to the Agricultural Stabilization Act. It does not involve the principle of deficiency payments and it can in no way be represented as part of the over-all program envisaged by the Prime Minister when he spoke in this house in 1956 or when he spoke in this house in August of last year at which time he outlined the government's agricultural policy. I repeat that the Prime Minister and his supporters cannot claim that by this particular program they are satisfying the promises which were made to hundreds of Canadian western farmers.

Mr. Harkness: We were satisfying a very large number of farmers.

Mr. Martin (Essex East): I sincerely hope that is the case, but, as I have stated, this provision does not meet the objectives of the government's declared farm policy as announced by the Prime Minister. It does not meet the assurances given to a thousand western farmers when they descended on Ottawa two years ago to demand that this government implement its agricultural policy.

Mr. Harkness: Nobody takes your interpretation.

Mr. Martin (Essex East): Well, when the hon. gentleman and his colleagues decide, as I hope they will decide soon, to face the Canadian people they will see whether or not their policy satisfies the electorate.

Mr. Harkness: That is exactly right.

Mr. Martin (Essex East): This policy is an off and on policy. We are not able to say now whether it is going to be a permanent feature of the actions of the government of Canada. Let the Minister of Agriculture say now that if he were entrusted with the responsibility of government next year, something which I doubt very much, his government would embark once again on this particular program of assistance on an acreage basis. Let him say that, and we would then have some indication of whether there is a semblance of agricultural policy.

The most serious objection to this program is that it represents a stopgap handout with no precise relationship to the entire needs of the farm economy or to the needs of individual farmers. If the acting minister were able to tell us now that the provinces were heartily accepting the crop insurance scheme which was introduced two years ago, then he would be able to talk about something in the nature of a comprehensive policy, even though that would not be a realization of the promise that what the farmers were going to get would be parity not charity. That is the kind of thing to which this government must address itself if it wishes to demonstrate it is fulfilling its obligations to the farmers of western Canada.

We have the amazing situation of the Prime Minister announcing a policy in the province of Saskatchewan to his own constituents at a time when the Minister of Agriculture was in that province—at a time when the Minister of Agriculture gave the impression,

created undoubtedly by implication, that the government had authority to provide for this program. The Prime Minister, taking advantage of a visit to his constituency and speaking in a theatre in Prince Albert which was not filled, said: "We propose to embark once again on a program of acreage assistance". I say that for one minister of the crown to give the impression that the government had already embarked on such a policy and that parliament had already voted the money is a statement which calls for comment and reply by the Acting Minister of Agriculture, because it represents a base inaccuracy. This is a charitable way of dealing with that statement.

But this incident, of course, is only one further example of the way in which the government approaches these problems. The government seeks to take advantage of situations so that it can get the most dramatic effect for political and propaganda purposes. No one demonstrates this more clearly than the Minister of Agriculture in the program called A.R.D.A.—a program which is not designed to meet the current situation, a program in connection with which, as the hon. member for Assiniboia has pointed out, not one project has been realized in co-operation with the provinces under arrangements provided for in the act. The Minister of Agriculture goes all over this country speaking of A.R.D.A. as though it represented the most fundamental approach ever made to solving the problems of Canadian agriculture.

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): I have no doubt that in the long run it will help Canadian agriculture but let hon. gentlemen not forget that that program in connection with which thousands of pamphlets have been issued was conceived by the previous government as a result of studies made by it in the upper house. The committee on land use under the chairmanship of Senator Power provided the basis for the legislation which was passed in this chamber, in connection with which the Minister of Agriculture goes from one end of Canada to the other, concealing his failure to implement promises which have been made, by representing A.R.D.A. as a charter for agriculture. Not one thing has been done under A.R.D.A. I ask the parliamentary secretary to the Minister of Agriculture, who is now in his seat, to give me one project under that act that has been signed by the federal government—

The Deputy Chairman: Order.

Some hon. Members: Order.

Mr. Martin (Essex East): —and the provincial governments.

[Mr. Martin (Essex East).]

The Deputy Chairman: I regret to advise the hon. gentleman that his time has expired. The hon. member for Moose Jaw-Lake Centre.

Mr. Cardiff: Mr. Chairman, if the committee will allow me I should be glad to give the hon. gentleman the facts in regard to matters about which he apparently does not know anything at all. If is is agreeable to the committee, I will be glad to give them.

Mr. Martin (Essex East): Mr. Chairman, I thank my hon. friend for the tribute he has paid to my high agricultural knowledge. I do not think I have anything to add. I will simply say that the government—

Mr. Cardiff: Mr. Chairman, I should like to ask the hon. gentleman this question. How much money did the former government spend under the prices support act in 12 years?

Mr. Martin (Essex East): I will tell the hon. gentleman this—

The Deputy Chairman: I gave the floor to the hon. gentleman from Moose Jaw-Lake Centre.

Mr. Horner (Acadia): Saved by the bell.

Mr. Pascoe: Mr. Chairman, I am very pleased to speak in support of quick passage of the supplementary estimates now before us. I think it is very useful to have these supplementary estimates on one sheet. I am particularly interested in item No. 611, a vote of $42 million for acreage payments to western grain producers, and item No. 614, a vote for $40,090,000 for the federal share in the winter works program. I know we are not discussing item 614, but I think having the two together on the one page indicates the government's concern for equal treatment for all segments of the economy.

The $42 million in acreage payments will help bolster the income of western farmers, and the $40,090,000 to pay half the labour costs for municipal works will add to the income of another group of workers. Having the two of them together certainly emphasizes the government's concern for all segments of the economy.

I wish to thank the Acting Minister of Agriculture for the full outline he gave of acreage payments in the absence of the Minister of Agriculture, who is ill.

Mr. Chairman, you allowed opposition speakers to wander considerably in their remarks on this item.

Some hon. Members: Oh, oh.

Mr. Pascoe: I hope to keep right to the one point except I think I should answer to a certain extent some of the statements

they made. I deal with one particularly. I think the hon. member for Assiniboia will be fair and say that the crop was better than was first expected. If he will go through some of the reports of the wheat pool he will see that the crop index was up three points, one time, and so many points, another time, and we got more than a half crop—

Mr. Argue: Why did the Prime Minister not come to southern Saskatchewan instead of wandering all over the rest of the country?

Mr. Pascoe: He came to southern Saskatchewan.

Mr. Argue: He did not.

Mr. Pascoe: Southern Saskatchewan is not all in your area. It is in my area too.

Mr. Argue: He was not there during the crop failure.

Mr. Pascoe: He was in my area.

Mr. Argue: Then he should have learned something.

Mr. Pascoe: He was in my area and he saw something. I think the hon. member for Assiniboia will admit that the reports of the wheat pool show that the index went up by so many points and we did have more than a half crop. This was after we heard reports that there would be no crop at all in the country. I know that my own crop was much better than I had expected when I heard some of the dismal reports that the hon. member made. Also, the hon. member for Assiniboia made no reference at all to P.F.A.A., under which $50 million is being distributed. Many of the farmers who had poor crops are getting $800 cheques. That is partly due to the amendments that we brought in when we came into office.

Mr. Argue: The same rates were in effect when you were not in office.

Mr. Pascoe: They were not.

Mr. Argue: They were.

Mr. Pascoe: The whole thing was completely changed. If the hon. member will also refer to the last wheat board report he will see that already wheat exports for this year are more than 150 million bushels; already in four months more than half of the 10 year average for a whole year when the Liberal government was in power. In addition the price of wheat is now nearly 20 cents more than it was a year ago. I just draw this to the attention of hon. members. I know I should speak on the main item before us.

When I left home to attend this session of parliament I promised farming groups that I would press for early action in regard to acreage payments. They had asked me to do this.

Mr. Argue: Why did you not pay it on last year's crop?

Mr. Pascoe: The reason we did not pay it last year was because you shouted "peanuts" and we had a great job trying to sell it again to the government.

Mr. Argue: Oh, oh. Forty seven members from the prairies and they cannot get anything done. Oh, oh, oh, what a joke.

The Deputy Chairman: Order.

An hon. Member: Down boy; you have made a speech.

Mr. Pascoe: As I say, Mr. Chairman, I promised this action to western farmers, and I know that other western members—

Mr. Starr: Are you applying for this payment?

Mr. Pascoe: —came back here with this same purpose—

Mr. Argue: You do not apply. You just wait until it comes in the mail.

Mr. Pascoe: The government has acted quickly to meet our wishes in this regard. This is demonstrated by the early presentation to this committee of the supplementary estimates. To do this it was necessary to alter the usual procedure and interrupt the throne speech after the fourth day of debate.

The hon. member for Assiniboia indicated that farmers did not appreciate these acreage payments. I have received many letters from farm constituents supporting acreage payments. I do not wish to take the time of this committee by referring to them all, but I should like to quote a few excerpts from some of these letters. Here is one from Cymric:

> With regard to the $200 acreage payment, I would sooner see this than to have the deficiency payments.

Mr. Argue: On a point of order, Mr. Chairman, who is the letter from?

Mr. Pascoe: The letter is from H. J. Hilderman.

An hon. Member: Do you know him?

Mr. Pascoe: I will repeat what he said in case the hon. member did not hear it:

> With regard to the $200 acreage payment, I would sooner see this than to have the deficiency payments.

Mr. Argue: You did not give it to him for last year.

Mr. Pascoe: If the hon. member wants the names of all those who have written me, I have here another letter from Mr. Klenk of Imperial:

I sure favour the acreage payment over the extra payment on a specified number of bushels at the elevator, as it sure helps the farmer who has no bushels to sell.

Mr. Argue: Not so much when you miss a year, though.

Mr. Pascoe: It was on your account that we missed a year.

Mr. Argue: That is ridiculous.

Mr. Pascoe: There is another letter from George A. McDougall of Craven:

I am very much in favour of such assistance in preference to the deficiency payment. Being in the small farmer category myself, perhaps that is partly the reason but it seems by far the fairest way.

I hope the hon. member for Assiniboia heard that one.

Mr. Argue: Yes, but you should not have missed that year.

Mr. Pascoe: It was your fault that we did.

Mr. Argue: Oh, pay it now.

An hon. Member: Keep quiet.

Mr. Pascoe: There is another letter from Mr. John Blackport of Lockwood:

I am a three quarters section farmer and I think the acreage payment method will help more farmers than deficiency payments.

An hon. Member: The letters should be tabled.

Mr. Pascoe: Mr. Chairman, I anticipated quick passage of this estimate. I was surprised at the opposition expressed by certain hon. members here.

Mr. Argue: No opposition; we want it doubled.

Mr. Pascoe: I do not think the farmers of the west will take very kindly to what they have had to say.

Mr. Martin (Essex East): On a point of order, Mr. Chairman, the hon. gentleman, who is one of the most fair minded members of the house, would I am sure wish to reconsider his statement. No opposition was expressed by any member of the Liberal party to this measure. We simply indicated that it was insufficient, inadequate and did not meet the promises made by the government.

Mr. Argue: On the point of order, Mr. Chairman, since the hon. member has misinterpreted my remarks I wish to make it very clear that our objection is that the payment is not twice as big so that parliament would pay for the year that has been missed. Let us double it and then it will go through very quickly.

An hon. Member: Then you will ask that it be tripled.

Mr. Pascoe: Mr. Chairman, I mentioned nobody in particular and it is very interesting to see hon. members' reaction. If the cap fits certain hon. members, they can wear it.

Mr. Argue: Smearing John, eh?

Mr. Pascoe: I have not heard the hon. member for Assiniboia holler "peanuts" this year. I am very glad of that.

Mr. Argue: I rise on a point of order. I referred to peanuts. I said that the trouble this year was that the peanuts for the small farmer are in a smaller bag than those for the big farmer.

Mr. Pascoe: I suppose the hon. member indicates that he is not going to vote for this item. I am anxious to see what he does in this regard.

An hon. Member: He wants the $200.

Mr. Argue: I will vote for it.

Mr. Pascoe: Several days ago he rose in his place in the house and actually asked for acreage payments. This was after the government had already heard from western supporters and had decided that acreage payments should be made this year.

Mr. Argue: Wrong again.

Mr. Pascoe: I suppose now the hon. member for Assiniboia will assert that it was his very belated request that resulted in these payments. This procedure will be following his usual practice. I believe on one other occasion he asserted that he or his party was responsible for a large sale of grain to Poland after the government had completed the deal.

Mr. Argue: That is not true. It was before they completed the deal.

Mr. Pascoe: Anyway, he asserted that he did it.

Mr. Argue: I met the delegation and we cooperated with the government.

Mr. Pascoe: On behalf of the constituents of Moose Jaw-Lake Centre, I wish to thank the Prime Minister and the government for accepting our suggestions of this form of adding to the farm income. It will be a help not only to farm constituents but also to the whole economy. In this connection I refer to a news report which appeared in the Moose

Jaw *Times-Herald* dated March 15, 1961. I should like to refer briefly to it. The headline reads:

> All Acreage Payments now in Farmers Hands—$3,801,000 Extra in Area.

Then there was an editorial in the *Times-Herald* which was headed "Acreage Payment Plan is Best for Farmers". The first two paragraphs of the news item read as follows:

> It is estimated some $3,801,000 has been poured into the coffers of farmers living in the Moose Jaw trading area, from federal government acreage payments.
>
> W. L. Burbank, secretary of the rural municipality of Moose Jaw, said today the extra flow of money from outside is bound to prosper the economy of this city.

The secretary of the municipality estimated that 95 per cent of this $3,801,000 would be spent in the local trading area. In Saskatchewan as a whole more than 106,000 grain growers received $19,732,906.

I should like to draw to the attention of the hon. member for Assiniboia the fact that this amount is certainly not peanuts.

I gave these figures in order to indicate the value of these payments at this time of the year when farmers are making plans for spring operations. I know western farmers are beginning to understand that acreage payments are actually along the lines of the two-price system they have been advocating for many years. Other groups in Canada's economy are also beginning to realize that the $42 million which this committee is asked to vote really means that the price for wheat sold for human consumption in Canada is in line with the price of products the farmer buys in Canada.

The money for this acreage payment comes out of the federal treasury. Western members appreciate the help given by the eastern members in getting this supplementary estimate before the committee. It was not an easy thing to do after the way in which earlier acreage payments were ridiculed by certain members of the opposition and even by some farm leaders.

Western farmers appreciate this government action, as was shown by the letters I read. Responsible farm leaders have indicated that they welcome the payments. As I say, even the hon. member for Assiniboia does not come right out and say that they are peanuts. Hence, Mr. Chairman, the Prime Minister who first announced the government's intention should feel that the efforts of his government are fully appreciated. It is to be regretted that the Minister of Agriculture has been confined to his home for a few days, owing to the tremendous efforts he has made in the past year in selling Canadian wheat and tackling other farm problems.

Mr. Martin (Essex East): Does the hon. member not think that the weather had something to do with his cold?

Mr. Pascoe: For all these efforts on behalf of agriculture the farmers will thank the Minister of Agriculture, and the Prime Minister and his government, on election day.

Mr. Rapp: I am very pleased to be given this opportunity to take part in the discussion of the estimates that are before the committee at the present time. This is now the third time that acreage payments will have been distributed to the western farmers. The amount will be another $42 million this year. The payments are similar to the ones that were distributed in 1958 and 1960. I remember very well the discussion that took place here in this House of Commons in 1958 when these estimates were presented to the house for approval. I also remember very well the remarks of the opposition and in particular those of our friend from Saskatchewan who at that time said they were peanuts. Those were the expressions that were used when these estimates were before the house. I must say that $42 million are not peanuts to the farmers of the three western provinces.

Mr. Argue: It is $1 an acre and that is peanuts.

Mr. Rapp: The amount is equal to the amount the farmers would have received if we had had a two-price system, namely about $45 million. We are well aware of the fact that the government gave this assistance in lieu of the two-price system. They were not in a position to subsidize our grain at the time they gave it. I refer to grain that would be exported to the United States and other countries. I can recall very well the response of the farmers in my constituency to this $42 million. In my own community the payment amounted approximately to $30,000 a year. I have lived in this community for 30 years and this is the first time it has ever received $30,000 from the federal government.

I made it a point to ascertain where these acreage payment cheques were cashed and what they were used for. Cheques totalling the approximate value of $8,000 to $10,000 were cashed at our oil and gas station where the farmers paid for their oil and gas for the year in which it was received, namely 1958. Another $8,000 or $10,000 of them I found were cashed in our rural municipalities where the farmers paid their taxes for that year. Another $8,000 or $10,000 of them were cashed at the various stores in the community.

Surely this $30,000 these people were able to get in that community meant something to them. Is it any wonder that these farmers in the west—and I stress the words "in the west"—are now so appreciative of what the federal government has done for them and that the slogan in the country is now "Canada needs Diefenbaker"; and I would say that the west needs Diefenbaker.

Mr. Peters: They surely can have him.

Mr. Argue: They want the dollar an acre.

Mr. Rapp: Other hon. members have had their say, Mr. Chairman. I have the floor and I should like to proceed.

Mr. Argue: Are you in favour of the payment for 1960-61? That is the question.

Mr. Rapp: They know what the federal government has done. They also know that for years, when they sent down here and filled the treasury benches with members of the chief opposition party, they never received anything. They have received more in five years from this government than they ever did during the 25 years that the former government was in power.

Mr. Argue: I wonder whether I might ask the hon. member a question.

Mr. Rapp: When I am through with my speech.

Mr. Argue: Is the hon. member in favour—

Mr. Rapp: When I am through with my speech. The people in the west are satisfied with what the government has done. Five years ago they sent 47 members to this house. The people have seen the results and that is why the people of western Canada are saying that Canada needs Diefenbaker. For many years the people of Saskatchewan asked for the South Saskatchewan river project but only when the Prime Minister was elected as head of the government and 47 Conservative members were sent here from Saskatchewan and the other two western provinces was this objective realized.

Take the case of the people of Alberta. For 40 years they asked for the Pine Point railway but only when they sent a full slate of Conservative members to Ottawa did they get the Pine Point railway. For 20 years the people of Peace River sent Mr. Solon Low here. He was in the opposition and all he did was whine. He never did get the Pine Point railway for Alberta. Only when the present member for Peace River was sent here along with the Prime Minister did the people of that region get the Pine Point railway which is now under construction.

[Mr. Rapp.]

Mr. Argue: That is a dirty attack on a man who is not here to defend himself.

Mr. Rapp: The people of Alberta, the people of Saskatchewan, the people of all three prairie provinces know that if they want to receive attention from the federal government they must send members here who are members of the party of the Prime Minister which is now in power.

Mr. Argue: You want a dictatorship of one party. You are not satisfied with 47 out of 48. You want a one party dictatorship.

Mr. Rapp: The myth that we need a strong opposition has been killed in the west. The people know now that if they want to get results they must elect the present Prime Minister and give him the necessary support in the house.

Mr. Argue: A one-party dictatorship?

Mr. Rapp: The hon. member for Assiniboia is not really appreciative of what we have done. Since 1945 he has done nothing but whine and wail to no avail, but now we have finally reached our objective and the west is getting the attention it needed because the people there elected the Prime Minister and gave him 47 members.

Mr. Muir (Lisgar): Mr. Chairman, as the representative of one of Manitoba's rural ridings I should like to comment briefly on this item dealing with acreage payments. First, I should like to express appreciation on behalf of those whom I represent of the fact that these payments are being considered as soon as possible after the convening parliament. I feel sure that the government's decision to make the payments available at this time will be welcomed by all western farmers, particularly because of the severe drought experienced last summer.

The payment of $1 an acre on the cultivated acreage of each farmer up to a maximum of $200, while not a large amount to each individual farmer in relation to what he would ordinarily expect as net income in a good year, is certainly not regarded by the farmers of my area as peanuts, as it was described by the hon. member for Assiniboia. As found at page 4348 of *Hansard* for August 30, 1958, the hon. member enlarged on that description. In speaking about acreage payments at that time the Leader of the Opposition said:

> I have no doubt that when my hon. friend from Assiniboia gets up immediately after I conclude he will call it peanuts.

At that point the hon. member for Assiniboia interjected the following:

> I did that a couple of days ago. I shall call it a pittance today.

As a matter of fact, it adds up to a considerable amount of benefit to our rural communities and assists not only the farmers but also those who provide goods and services to our farm people. Statistics show that farm gross income across the nation is making a steady recovery in relation to the income enjoyed by other segments of our economy. But statistics do not reach down to the individuals who have suffered grievous losses owing to the drought. This fact was recognized by the government and the Minister of Agriculture early last summer. At that time steps were taken to assure supplies of feed and to provide the necessary protection against serious income loss through forced selling of our cattle.

The result of the government's action is, of course, well known. With the fullest co-operation of the provincial governments and the farmers themselves, livestock prices remained steady and the market was able to absorb all livestock offerings throughout the season. The small crop on the prairies, while generally of very high quality, left many farmers short of the necessary working capital for next year's operations. Crop insurance and prairie farm assistance are a welcome help to those farmers who suffered a heavy crop loss. The addition of acreage payments at this time will further assist them and help many who were unable to qualify for the other kinds of assistance.

I listened very carefully the other day to the long speech of the Leader of the Opposition on the address in reply to the speech from the throne. I am sorry that he is not in the chamber at the present time because I thought that as Leader of the Opposition and head of what is supposed to be a national party he would present some of his party's views on agricultural problems. I found it almost beyond belief—

Mr. Martin (Essex East): Will the hon. member permit me to point out that the Leader of the Opposition last year expressed his views and those of his party with regard to this $1 an acre assistance. He also outlined our party's views on agricultural policy at the time that the Prime Minister did.

Mr. Muir (Lisgar): I am glad that he did it last year because if you will permit me to go on with my speech I would point out that he apparently considered that last year the government had done everything possible for the farmers and therefore it was not necessary for him to mention agriculture at all this year.

Mr. Martin (Essex East): He said just the opposite.

Mr. Muir (Lisgar): As I say, I found it almost beyond belief that he could make this long statement on national affairs without even a passing reference to agriculture or the peculiar problems of the western farmers occasioned by the drought. If this is the attitude of the official opposition to the importance of agriculture in our economy, and the hon. member for Essex East has confirmed that, then farmers across the nation—

Mr. Martin (Essex East): What did I confirm? I want to make sure of everything that government members say. What did I confirm?

Mr. Muir (Lisgar): You confirmed that the Liberals have no agricultural policy. I should like to proceed with my speech.

Mr. Martin (Essex East): On a point of order, Mr. Chairman—

Some hon. Members: Order.

Mr. Martin (Essex East): —the hon. member has a right, as you know, to make an argument in answer to an observation made by an hon. member—

Mr. Cardiff: What is your point of order?

Mr. Martin (Essex East): —but he has no right to engage in a non sequitur and that is what the hon. member has just done.

Mr. Cardiff: What is the point of order?

The Chairman: I think the hon. member may himself have been engaged in a non sequitur.

Mr. Martin (Essex East): What was that, Mr. Chairman? I did not hear what the chairman said.

An hon. Member: Read it in *Hansard.*

Mr. Muir (Lisgar): It does not really matter because every time the hon. member for Essex East opens his mouth about agriculture, the farmers all get a wonderful laugh.

Mr. Martin (Essex East): That is the only thing they get out of the government.

Mr. Muir (Lisgar): If this is the attitude of the official opposition to the importance of agriculture in our economy, then the farmers across the nation do derive some satisfaction that that party is still the opposition and will probably remain as such until they learn to appreciate the contribution our farm people make to the national well being.

All kinds of conclusions can be drawn from this lack of interest in the affairs of agriculture. Either the Leader of the Opposition feels that the present government is doing everything possible for the Canadian farmer or he feels his party is so devoid of ideas for agricultural betterment or knowledge of the farmers' problems that anything he could say would be better left unsaid.

In making the acreage payment the government has never regarded it as a handout but as compensation for the low domestic price of wheat to the Canadian consumer. The two-price system has been requested over the years by our farm organizations. The acreage payment has been used as the most equitable manner in which to meet this request. I believe that continuation of this practice by the government will receive the commendation of all fair minded western farmers.

Mr. Martin (Essex East): It would not have been necessary, of course, to intervene again but for the frivolous and wholly inaccurate remarks made by the hon. gentlemen who support the minister. The suggestion is made that because the Leader of the Opposition has not thus far participated in this debate, the conclusion is to be drawn that the opposition strongly supports the government's actions in the field of agriculture. One would have thought it was not necessary to rise and make a strong protest against this kind of observation. But in view of the propaganda carried on in this country by hon. gentlemen who sit behind the ministerial benches, in view of the speeches made by the Minister of Agriculture, it is necessary for those of us in the opposition to take advantage of the verbatim proceedings of this house to indicate what our views are, to reaffirm what our policies are and to point out repeatedly the inadequacies of the government's agricultural policy.

No speech to which we have listened this afternoon, notwithstanding the mild manner in which it was expressed, was more provocative in this particular than the speech to which we have just had the doubtful pleasure of listening. The hon. gentleman says that because the Leader of the Opposition did not participate in this debate, that was to be regarded as confirmation of the opposition's view of government policy.

The Chairman: Order.

Mr. Muir (Lisgar): Mr. Chairman, the hon. member for Essex East is distorting what I said. I said that the Leader of the Opposition had made no mention in his speech during the throne speech debate, even a passing reference, to agriculture. The only conclusion we can draw is that he and his party have no ideas about agriculture.

Mr. Martin (Essex East): My hon. friend nas not raised a point of order, because the hon. gentleman—

Mr. Harkness: Yes he has; he says you are distorting what he said.

[Mr. Muir (Lisgar).]

Mr. Martin (Essex East): If it had been the Acting Minister of Agriculture, who continually interrupts, who had made that statement it would have been another matter. However, the hon. gentleman was not interfered with when he made what I regard as remarks that were wholly out of order.

Let us deal with the last remark. My hon. friend says that the Leader of the Opposition, in his speech during the throne speech debate, did not deal with the question of agriculture. My hon. friend has not read the speech very carefully. If he reads it carefully, he will see that throughout the whole speech what the Leader of the Opposition was doing was addressing himself to the inept way in which the public business of this country was being discharged by the government. I may say, for the benefit of my hon. friend, that when we use the phrase "public business", we do not only mean those who work in our factories or who have professional occupations. We mean as well the farmers of our country.

Mr. Muir (Lisgar): Mr. Chairman, we are discussing an item in the estimates. I do not believe that, in the speech the hon. gentleman is making, there is any reference whatever to the business at hand.

Mr. Martin (Essex East): I hope you will pay attention to what has just been said, Mr. Chairman. In one breath hon. gentlemen opposite attack the Leader of the Opposition because, they say, he made no mention of agriculture in his speech and when I reply to that accusation they say I am out of order. I cannot believe my ears. Of course, I have the right to repudiate that statement. Throughout his speech, the Leader of the Opposition was addressing himself to the maladministration of this government, to the way in which our economy had sagged. Our economy has application to the farmers of this country just as well as it has to other sections of our country.

When he spoke of the common market and the way this government has confronted that question, was he not dealing with agriculture? No single group in our country has as vital an interest in the implications of the common market as have the farmers of Canada. When the Leader of the Opposition was complaining about the negative way in which this government approached that problem, surely he was discussing the problems of agriculture just as Mr. Hannam, president of the federation of agriculture, said the other day that notwithstanding the effect of the common market on agriculture in the initial period, the long term result of some arrangement with the common market was essential to Canada and its prosperity.

Let hon. members who seek to taunt me—that is nothing unusual in this house—not say that the Leader of the Opposition was unconcerned about the problems of agriculture. Before this debate is over my hon. friend and others will hear from the Leader of the Opposition. He will reaffirm what others on this side of the house have said here, that the policy now before us of acreage assistance to the farmers of Canada is not the comprehensive measure that was promised by this government, and particularly by the Prime Minister. He will say that this measure is good in so far as it goes, but that it cannot in any way be regarded as a fulfilment of the statement of farm policy as enunciated by the Prime Minister who said that the Conservative party stood for parity not charity. He will point out that this particular, ad hoc policy of the government towards agriculture does not deal with the question of the cost-price squeeze. It does not deal with the problem of the gap between the cost of production confronting the farmer and the revenue which he receives from the sale of his product, both at home and abroad.

He will indicate that this government made certain promises, not only to Canadian agriculture—

Mr. Danforth: Are you speaking for your leader?

Mr. Martin (Essex East): Did the hon. member ask a question?

Mr. Danforth: I said, are you speaking for your leader?

Mr. Martin (Essex East): Now, I am going to speak for myself. I say to the hon. gentleman that this government not only promised the things to which I have referred in so far as agricultural policy is concerned but my hon. friend, who comes from my section of the country, knows that this government promised the farmers of southwestern Ontario they would be the beneficiaries of an over-all sugar policy that would assist them in their beet production. Is the hon. member for Kent now aware of the policy? The farmers of southwestern Ontario complain bitterly about the policy of deficiency payments announced by the government a few weeks ago. The government talks about its comprehensive policies, but let me remind the government of some things. This assistance to western farmers is needed. The drought and the present financial situation facing the western farmers no doubt commands attention but there are other sections of Canada, represented by the hon. member for Middlesex West, the hon. member for Huron and the hon. member for Kent, Ontario—

Mr. Cardiff: I can speak for myself.

Mr. Martin (Essex East): Let them rise with me and other members in the house to indicate to the government how we feel about the lack of government policy in relation to its unfilled promises, not only to the farmers of western Canada but to the farmers of Canada generally. Let them join with us instead of in the continuing imprimatur of a moribund government that is now enjoying the last days of office. That is what we should be doing in this house.

Mr. Peters: You don't much like hearing that.

Mr. Martin (Essex East): When one compares the kind of policy this government has brought forward, to try and meet the conditions facing agriculture in western Canada, with some of the comprehensive measures brought in by the previous administration under Mr. Gardiner—

Mr. Harkness: What comprehensive measures? You did not bring in any comprehensive measures in ten years; not a single thing.

Mr. Martin (Essex East): The hon. member for Assiniboia and the Prime Minister himself placed a tribute on the record of this house to the agricultural policy of the late Right Hon. James Gardiner, when they referred to the P.F.A.A. and to P.F.R.A.

Mr. Harkness: On a point of order, Mr. Chairman, the Prime Minister paid a tribute to the late Right Hon. James G. Gardiner and I should like to join in that tribute; but that was not an endorsement of the lack of policy displayed by the Liberal party during the last 10 years or so that they were in office.

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): I have allowed the Acting Minister of Agriculture to pay a rather belated tribute to a great man, but the rest of his remarks had no foundation. The government lays claim to having introduced fundamental agricultural policies, but the fact is that it has not. Outside of the Agricultural Stabilization Act, which was in principle a continuation of legislation introduced by the late Mr. Gardiner, this government cannot claim to have done anything in the field of agriculture, anything more than an ad hoc way of dealing with a specific problem.

Mr. Danforth: What did the late Mr. Gardiner say about sugar beets? Did he not advise farmers to grow soybeans?

Mr. Martin (Essex East): I am very willing to talk about soybeans. That is a subject with which I am familiar.

Mr. Horner (Acadia): Then, please, do talk about it.

Mr. Martin (Essex East): This interruption almost tempts me to depart from my main text, but I will not be encouraged.

Mr. Cardiff: Would the hon. gentleman answer a question?

Mr. Martin (Essex East): Certainly. I am here all day.

Mr. Cardiff: How much money did the former government in 12 years spend on agriculture under the Agricultural Prices Support Act?

Mr. Martin (Essex East): I have no idea how much was spent.

Mr. Cardiff: If you want to know I can tell you.

Mr. Martin (Essex East): My hon. friend wishes to judge government policy by expenditure. If he were going to judge government policy by expenditure then one would have to say something that one cannot in truth say, that the present administration was the greatest administration in our country. If ever there was a government that embarked upon a program of expenditure it is the government of the right hon. gentleman sitting opposite.

Mr. Diefenbaker: What about the promises you are making now about $700 million more?

Mr. Martin (Essex East): The speaker talks about promises. No one is a greater authority on the matter of promises than the Prime Minister.

Mr. Balcer: And keeping them.

Mr. Martin (Essex East): For the sake of the record, he did not make 50 promises; he did not make 70 promises. According to present calculations he made well over 300 promises in the last federal election and I can tell him I only know of two that I can say have been fully kept by his government.

Mr. Danforth: Where have you been?

Mr. Martin (Essex East): He has not fulfilled any promises in the field of agriculture. The Prime Minister is here now. Does he deny saying in this house that the object of his agricultural policy was parity, not charity? Does he deny that? The Prime Minister, of course, cannot deny it.

I notice that five o'clock has come.

The Chairman: It being five o'clock, in order to permit the house to proceed to private members business pursuant to standing order 50, paragraph 3, it is my duty to rise and report progress and request leave to sit again this day, or at the next sitting of the house as the case may be.

Progress reported.

SWEEPSTAKES

LEGISLATION TO ESTABLISH HOSPITAL SWEEPSTAKES BOARD

Mr. J. F. Browne (Vancouver-Kingsway) moved the second reading of Bill No. C-2, to provide for the establishment of a hospital sweepstakes board.

He said: My purpose in bringing this bill before the house is simply to carry out the wishes of my constituents and those of the vast majority of Canadians by instituting a national hospital sweepstakes.

Of course this is not the first time I have raised this matter in the house. When it came before the house last session a great deal of support was expressed for the bill, and I am not going into all the detail I gave last year. However, I would remind the house that I did refer to the Gallup poll on that occasion, a poll which has become a reliable indicator of public opinion on matters such as this. The last poll they took on this subject indicated that 82 per cent of the people of this country were in favour of a national hospital sweepstake.

There is also evidence of widespread support to be found in various press clippings from newspapers across the country. I do not intend to refer to very many, but this is what some of the headlines say: "Vets Want Legal Lottery", "Ontario Municipalities Want Hospital Sweep", "Ontario Votes for Sweeps". This latter headline was a reference to a vote taken in the Ontario legislature some years ago. Then there is another which says: "Unions Ask for Government Lottery". This referred to a statement by the trade union congress representing some 500,000 people in labour unions across Canada. The statement was made to the joint committee of the Senate and the House of Commons which was set up in 1956 to make recommendations on this matter.

Hon. members will recall, too, that I made reference to the fact that sweepstakes were common throughout the world and accepted by people universally. They were not considered by the people generally as gambling in the ordinary sense of the word. We now have various types of gambling in the country some of which, such as betting on horse racing, are legal. In addition, of course, a good many illegal types of gambling go on,

too. One thing is certain: the people have an instinct to make wagers and no one can stop them doing that.

The joint committee of the Senate and the House of Commons had before it during its sittings a mounted police commissioner who indicated that the present law was entirely unsatisfactory and could not be enforced, with the result that the law was being brought into disrepute. I recall also referring last session to the evidence of several law enforcement officers in the United States and other countries who had taken the same position indicating that the law could not be supported and that in their opinion some change should be made.

Then, too, it is the essence of a democracy that the wishes of the people should be carried out and I find it difficult to believe that any hon. member of this house could stand up and say that he did not think there was a large body of opinion among the people he represented who were in favour of a hospital sweepstake. This has been reiterated over and over again in the press. One can turn to the newspapers almost any time and read such headlines as: "Fourteen Canadians Draw Tickets in the Irish Sweep". One can read about the number of prizes won and see the actual names of the prize winners in Canada. As I pointed out last session, a large amount of money comes to Canada from this source—over 25 per cent of the total prizes of the last Irish sweepstake. This indicates clearly that we are paying a very large sum of money indeed into the fund, only a small percentage of which comes back. I suggest that this sweepstake is something which is wanted by the people of Canada and it is time that the members of this house accepted their responsibility and carried out the wishes of the people in this respect.

Last year I took the liberty of writing to a number of foreign embassies whose countries conducted national sweepstakes of one sort or another. They were very kind in their replies and sent me the most extensive information. I do not intend to go into detail now with regard to that, because I put it on record in *Hansard* last year. The details can all be found in *Hansard* commencing at page 6965. At that time I showed the arguments which had been put forward that hospital sweepstakes were very inefficient and that a large proportion of the money was used up in administrative costs to be completely unfounded on the basis of actual figures which were supplied by the various countries to whose representatives I wrote. They sent me complete details of their schemes and these showed that the administrative costs were very low and were not a serious factor. The money was mainly used for hospital or other charitable purposes or for prizes to the people who bought tickets.

I strongly suggest that whatever action we propose to take or whatever action we fail to take in this house, we shall not stop people from buying sweep tickets. Canadians are now buying Irish sweepstake tickets, tickets in the French national lottery, tickets in the Mexican national lottery and tickets in sweepsakes as far away as New Zealand and Australia. There have been a number of items in the press indicating this to be a fact.

I referred last year to items carried in newspapers in other countries indicating that money from Canada was finding its way abroad. I might mention, again, that a large number of editorials have appeared in newspapers across the country. I have a number of them here but I do not intend to read them because they are far too numerous. However, papers from one end of Canada to another have carried editorials on this subject. Some of them have been strongly in favour of the idea of a national lottery. Others have said they are not too favourably disposed but on the other hand they recognize the desire of the Canadian people to have a national hospital sweepstake and recognize the right of the majority to have its wishes carried out. It was a matter to be considered by this house and carried into effect.

Hon. members will probably recall the attitudes taken by the various provinces on this question. The views of the government of Quebec are well known. They have had them throughout the years, and legislation was passed some years ago to provide for a lottery or sweepstake within that province. The reason I have proposed the type of bill that I have is this: I do not believe that the scheme could work on a provincial basis. The federal government has taken the position on many occasions that payments as between provinces should be equalized as far as possible. It seems to me tremendous problems in law enforcement would be brought about if one or more provinces held their own sweepstakes, because it would be impossible to prevent the sale of tickets in another province. Moreover, the entire balance of payments as between the provinces would be upset. For these reasons I think it best that this should be done on a national basis and that provision should be made in the bill for the profits to be distributed on a per capita basis so that there would be fairness for all throughout Canada. I believe, also, that this would avoid any disagreement between provincial governments because of the upsetting of the balance of payments as between them.

I have no desire to repeat all I said last session, especially as I know there are many

other members who wish to speak on this subject. I simply say that if those who are interested in what has gone before will turn to the pages of *Hansard* they will find set out in detail the arguments in favour of this bill.

(Translation):

Mr. L. J. Pigeon (Joliette-l'Assomption-Montcalm): Mr. Speaker, I am in favour of an amendment to the Criminal Code which would permit the establishment of a national lottery to control this outflow of Canadian dollars to the benefit of other countries.

Canadians spend some $90 million each year to buy sweepstake tickets from other countries.

We all remember the referendum held last year by the Montreal *La Presse* and radio station CKAC about a lottery. In the Montreal area and the province of Quebec, nearly 100,000 people voted for and only 150 against it.

Section 179 of the Criminal Code prohibits lotteries. Does that mean that there are none? Yesterday Canada was the choice land for bingos; today it is a paradise for the organizers of drawings of all sorts. Who does not know a thousand and one ways of evading the law?

Should we draw the conclusion that we should hunt down the organizers of drawings and of all those disguised lotteries?

Why not admit instead that they do meet a need? Boileau, who, in his fashion, was an excellent student of the ways of men, found out long before we did that "since we must go to law, since we must leave this earth, we must have lawyers, we must have doctors".

Quebec is not the only place where Irish sweepstakes and army and navy tickets are sold in the open. Moreover, what Canadian would accept to be judged severely because, at the races, he had dared to bet on such and such a horse?

When brought before the courts, the bingo operators generally ask for a trial by jury. Find me a jury with not a single bingo player.

Canadians spend $225 million dollars per year on gambling, 95 per cent of that amount for bets on horses.

Of the total bets, 70 per cent are made in Ontario, according to a Canadian Bank of Commerce business letter published in 1960.

People will always have a yen for gambling. In my opinion, a lottery would regulate and rectify the present situation and, according to a ruling of the income tax appeal board, winnings from bingo or sweepstakes are not taxed.

It is urgent also that a bill be adopted to allow the Bell Telephone Company of Canada to withdraw its service from a customer deemed by the attorney general of the province to be using the telephone for illegal gambling purposes.

Mr. Speaker, I want to give some of my colleagues the opportunity to express their opinion on that subject. I fully support the bill under study since I have myself submitted a bill to amend the Criminal Code.

(Text):

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, Bill No. C-2 is a most interesting bill and contains a basic, major issue of principle. I cannot speak with a knowledge of the thinking of all my colleagues in this corner of the house on this matter of sweepstakes, but I should like to express my own personal opinion.

I am in support of the principle of Bill No. C-2, if only for the reason that we may as well face reality and recognize that it is not possible to legislate the gambling habit out of the human animal. If we cannot legislate it out—and I maintain that we cannot—then surely the sensible thing to do is try to either control or regulate that gambling habit so that it is done in a legal fashion and there is, as far as possible, the guarantee of a decent return for the money gambled. In this way we could see that the money which is expended is put to a proper use in Canada.

If we oppose in principle the matter of a government controlled sweepstake for a humanitarian and beneficial purpose, then we are hypocrites in allowing by law the gambling that goes on at the present time. All across Canada, if you happen to be a member of certain clubs, it is quite legal to play poker or blackjack.

By law every citizen of Canada has the right—and many exercise it—to go to the horse races and gamble millions of dollars annually. In addition, millions of dollars are gambled annually at bingo. Let us not forget that these bingo games, which are strictly games of chance, are held in every province of Canada. They are sponsored by whom? By social clubs, by veterans clubs, by political clubs, by churches. I do not know how much we recognize clubs at which members can play blackjack or poker, but they are all legal; it is all gambling, all games of chance.

I do not know whether it is an inborn, inherent trait of an individual to want to take a chance, but annually we have countless millions of dollars going outside this country, despite all the efforts of the Postmaster General (Mr. Hamilton) to stop it, to sweepstakes in Ireland, Australia and other countries. Surely, therefore, we should recognize

all these obvious facts and realities and that we are not going to stop that trait. If people want to buy sweepstake tickets—and they are going to buy them—let them be bought within the law in Canada, under government control, with strict supervision and with a fair share of the money received from the exercise of that gambling spirit going towards a useful humanitarian project within our own country.

I do not think it is the way we should finance hospitals. It is not the way we should finance things which are necessary to Canada. But if it is going to help and we can exercise some control over the gambling instinct and keep the money inside Canada, I think we would be honest not to blind ourselves to what is going on legally in regard to games of chance and say, with regard to sweepstakes, that this cannot be done.

For those reasons, although I know certain people and organizations have objections—because whether they are political clubs, social clubs, veterans clubs or churches, it is permitted in Canada, recognized and sponsored by these people and organizations—let us not be hypocrites in this matter. Let us not deny what we know is a basic human instinct.

We are not going to overthrow this instinct overnight, or for generations, and we must recognize the desire of the majority of people. At least let us give to those who desire it the right to take part in a government-sponsored sweepstake, with the money being held in Canada for the benefit of Canadians and projects in this country.

Mr. J. H. Horner (Acadia): Mr. Speaker, I should like to say a few words on this subject. It has been referred to as a very popular subject with a great many people in Canada. I think that of all the bills that have come before the house since I have been a member, this is by far the most sound. It seeks to establish a full time board of men who will properly run a sweepstake for the benefit of hospitals in Canada. This sort of thing has been referred to in the past as a type of taxation and some people feel that the poor, or the person who is less able to pay for it, will be taxed the most. This runs against their grain.

As has been pointed out a number of times, most people are already paying in one way or another. They are going out and buying tickets for sweepstakes. Often those sweepstake tickets never get to Ireland. The person from whom they buy the tickets is selling them under cover and sometimes the money is not sent in and the buyer is out of his money. He does not even get the chance, whether it is a fair gamble or not. This type of thing goes on time and again.

If a sweepstake such as this were set up, we in Canada could establish a very workable system. Post offices could sell the tickets without any extra expense. They could be sold almost in the same way that five cent stamps are sold, if a person wishes to buy them. I am not saying they should be priced at five cents, but they could be sold in the post offices and the R.C.M.P. and people behind the project could outlaw all other sweepstakes.

What have we today? We have laws which have not the backing of the people. Quite often when laws are in force and the people are not backing them, those laws turn out to be rather ineffective. This is the case with sweepstakes.

In a small town in my riding a very good friend of mine called me and said, "You know, Jack, it is time we legalized some form of sweepstakes in Canada". I said, "Why?" He said, "Last September I sent $1,200 out of this small town to Ireland". I said, "I did not think it was that much". He said, "Look, there are at least five or seven more fellows in this town of 2,500 selling tickets and I do not know how much money they sent to Ireland". This just gives some idea of the amount of money that is leaving small towns in western Canada to go to Ireland.

The hon. member for Vancouver-Kingsway (Mr. Browne) pointed out that 25 per cent of the tickets drawn are held by persons in Canada. I think it is a logical thing to say that we must be sending over to Ireland at least 25 per cent of the money that is taken in. That is an enormous amount of money to be leaving this country. I know it can be said that if we legalize some form of sweepstakes in Canada, money will still be going over to the sweepstakes in Ireland. Perhaps some money might go there. But with the support of the people behind the law with regard to a legalized sweepstake in Canada and with a crackdown by the R.C.M.P. on foreign sweepstakes, I think most of the money would be funnelled into benefits for our own hospital or medical care. Certainly in my own riding people have told me this, "Look, we even sell tickets to the R.C.M.P.; they buy them and put them in their wives' names". I am not saying this in order to discredit our very noble force in Canada. I am pointing this matter out in order to show that most of the people readily accept the sweepstakes idea and take advantage of it in one way or another. Even the person in the lower income bracket goes out and buys a dollar ticket on a car, to play bingo and so on.

With the ever increasing need for money in order to cover the cost of expensive drugs and hospitalization and with chronic illness becoming a big problem in Canada, and with

hospitals being set up in a number of small towns to care for some of the elderly people who are chronically ill, we know we shall certainly continue to need large sums of money for hospitalization. While it has been pointed out that this may not be the best method by which to raise that money, nevertheless it is one way in which it could be raised without harming or hindering in any way any large group of people and without curtailing further development of our country as higher taxes on corporations or something like that might mean.

In this House of Commons in recent years few members have spoken against sweepstakes. I certainly think that there is a feeling of general acceptance right across Canada.

I should just like to point out a few of the things that have been brought to my attention over the years with regard to lotteries and gambling. Some time ago a school teacher said to me, "I did not know whether or not we could hold a Christmas raffle in my school so I thought the proper thing to do would be to write to the closest law enforcement body and ask what the situation was". She wrote to them; in fact, she went to see them. She said that the R.C.M.P. officer, I believe it was, said, "Well, you are perfectly able to go ahead and hold your raffle; I know that other schools do it. However, if there is any big trouble caused over it, I will have to step in; but if no trouble is caused, I will not bother with it, and you can probably go ahead". This teacher who wanted to do what was right had to take the risk on her own shoulders, had to break the law in a sense, in order to raise a little bit of money so that she could be Santa Claus under the Christmas tree in that small country school.

I do not think this is the proper approach. I know a raffle had been held in this school for years before this woman became the teacher there. She wished to continue the practice. She did not want to do away with the Christmas concert or anything like that. However, she did not want to be breaking the law at the same time and she went to the trouble of asking the police officer about the matter. He said in effect, "Go ahead; do it at your own risk. If the neighbouring people raise objection or if somebody squawks against it, I shall have to step in, take a look at it and perhaps lay a charge". This is the position in which we are placing good people who want to obey the law. We are placing them in a position in which they have no alternative.

I know of another instance. I may say that I am bringing this matter out in order to point out how people wish to obey the law and to do what is right, but that we as the law makers in Canada are sometimes placing them in a difficult position. I also know of a group of people who wanted to build a curling rink. Because there had been an on again-off again approach to lotteries in Alberta and because at the same time a group of people were fined for having a lottery to build a curling rink in one town in Alberta, this particular group of people were concerned about the matter. Again they wanted to do what was right and what was within the law.

They wrote to the premier of the province and asked him if they could hold a car raffle in order to build a curling rink in this town. I might add that the curling rink was sadly needed. They wanted to do what was right. In a sense the premier wrote back and said "Legally you cannot do it; but if you do it, very likely nothing will come of it. Very likely you can proceed and you will be all right". This again placed them in the position in which they knew they were breaking the law but that it would probably be all right if they went right ahead and broke it.

When we have in Canada laws for which the people find themselves having no respect and which are broken by them with no trouble arising out of the breaking of them, I say that we should change the laws so that people will have respect for them. In this particular case the community in question did not build a curling rink. However, a community five or six miles up the line a year later went ahead and raffled a car, took a chance of being thrown in jail if anything came of it and they built their curling rink. I may say that curling rink has flourished in that part of the community ever since then.

This is the trouble we have with sweepstakes being readily accepted and the laws not permitting them to be legally operated. Having regard to the experience we have had with sweepstakes, I think that we in Canada should be realistic enough and should have enough knowledge of human nature to go ahead and legalize a sweepstake board, make it the only sweepstake board operating in Canada and make its tickets the only sweepstake tickets allowed to be sold in Canada. If you get the people behind the idea and have it accepted by the general public, they will readily buy tickets for a Canadian sweepstake. They will not likely buy too many foreign sweepstakes tickets if they know they are illegal and that the law is going to be enforced to the hilt with regard to them. We should not have R.C.M.P. officers buying sweepstakes tickets and putting them in their wives' names. Some people think that this is not true and that I am possibly degrading our very able and efficient police force. That is not my intention at all. I am saying this, sir,

to point out the lack of respect that people generally have for the law so far as sweepstakes are concerned.

I know that two years ago a young fellow in my constituency won $140,000 in the Irish sweepstakes. He had very little when he won the money and he was still looked upon as a respected citizen. Nobody said he was a thief or had broken the law. He was a hero in that particular community. The whole idea of sweepstakes tickets got a shot in the arm there because of his winning. I am proud to say, being a farmer myself, that part of that money was invested in a farm for the young man and I am sure he will make a success of that enterprise. These are the things that we have to consider.

I know that recently in the newspapers at home there has appeared what is called "play at home" bingo. So many numbers are printed each week in the weekly paper. People buy a bingo card for $1 and sit at home and wait eagerly for the weekly paper to come with the numbers for that week. At one time the prize was a thousand dollar bill. I have never had a thousand dollar bill. In the particular town in question the prize was advertised. If you walked by the biggest window of the biggest store in town you could catch a glimpse of the thousand dollar bill in the window on certain days. People buy their cards and play bingo at home in the hope of being the lucky winner. The idea has really gone over. I think the attraction is in the idea of taking a chance by playing bingo and running $1 into $1,000 without even moving off your seat at home but just picking up the weekly paper and filling in the numbers on the bingo card.

A few years ago bingos were looked upon by the province of Alberta with a sceptical eye but today bingo seems to be flourishing again. Alberta seems to blow hot and cold so far as sweepstakes are concerned but people are playing bingo at home. There are now three prizes. The first prize is a thousand dollar bill and the other two prizes are $500 and $200 respectively. This is how widely the idea of bingo and sweepstakes is accepted.

Some time ago in a large city I was asked to speak in a large collegiate or high school. I was going to speak on world affairs in general that night. I happened to walk in the wrong door of the school although I did not realize it at first. There seemed to be quite a crowd gathered there and I thought that surely they had not all come to hear me. Nobody met me at the door and I glanced around and saw that something was being sold and the thought went through my mind that surely they were not charging people to hear me speak because my advice is generally given gratis.

I went up to one of the people at the counter and said, "What is the charge, what goes on?" He said, "It is a bingo. We have a bingo here every week on this day." I was somewhat taken aback so I said to him, "I was to make a speech. Am I in the wrong school or what is the score?" He said, "No, your speech is to be made up on the second floor somewhere and here is a gentleman who will show you where to go." I went up there and made my speech to a crowd of 35 or 40 people, but down below there were 400 or 500 people taking a chance playing bingo. They did so every week for 52 weeks in the year. I do not know for how many years it has been going on. That is how widely accepted the idea is of taking a chance of running a dollar into a five dollar bill or a thousand dollar bill. These people were perhaps concerned about world affairs but not concerned enough to wait until next week to take a chance and come to hear me instead.

This sort of thing flourishes without the provincial governments doing a thing about it because they know that people generally accept the idea of sweepstakes and that it would be practically useless to curtail the practice. I know that the cost of medical care is increasing all the time and at the present time a government inquiry is going on for the purpose of determining how best a medical insurance plan can be worked out for the people of Canada. This also is a popular idea, particularly among persons who are least able to pay for their medical care. Those are the same people who some are trying to protect by keeping sweepstakes illegal. These same people who want hospital and medical care want to gamble. They want to run a dollar into a thousand dollars or a dollar into a five dollar bill. How can we protect them both ways? Certainly we can protect them to a certain extent, as the hon. member for Vancouver East (Mr. Winch) said, with regard to how much of their wages they gamble, but even that is a difficult thing to do.

I happen to live next door to a merchant in Ottawa who is in charge of a department in one of the larger department stores. He has told me that once the Connaught race track opens every spring business in the store takes a slight drop.

Mr. Richard (Ottawa East): Boloney.

Mr. Horner (Acadia): Do I hear the word "boloney" coming from that side of the house? It could well come from that side of the house because we have heard nothing but boloney from that side all afternoon. I would not doubt that there might still be a little left over there. But this man tells me that there is a slight dropping off of

business when the track opens and perhaps after it has been in operation for a while business comes back to normal.

Mr. Richard (Ottawa East): Mr. Speaker, I am going to ask the hon. member a question. Is he in favour of this bill? Yes or no.

Mr. Horner (Acadia): Certainly I am.

Mr. Richard (Ottawa East): That is all I want to know. I am in agreement with the hon. member.

Mr. Horner (Acadia): I am 100 per cent in favour of the bill and I do not know where the hon. member has been.

Mr. Speaker: I am sorry to interrupt the hon. member but under the provisional rule his time is limited to 20 minutes and it has expired.

Mr. W. C. Henderson (Cariboo): Mr. Speaker, I should like to say a few words. I am in favour of sweepstakes, racetrack betting and any other form of betting as long as the winnings come into our pockets. You can go over to Connaught track and see people betting there whom you might say should use their money to buy shoes instead of betting or buying sweepstakes tickets, but that is human nature. I am in favour of sweepstakes being conducted so that people do not have to buy tickets under cover.

In one town in my constituency there is a fellow who sells 6,000 books of sweepstakes tickets and that money goes to Ireland. He has got the thing worked out so well that he does not even have any trouble sending the money. He sends a wire and apparently the bank does the rest of it. The banks are in this too. I know this fellow and he makes his living doing this. He was a farmer but he quit farming because it was so profitable to sell sweepstakes tickets. What we should do is to allow this commission to start selling tickets in Canada, then anyone could buy them. I buy them all the time. I do not beat around the bush about it, and I have lots of friends who do the same.

Mr. Richard (Ottawa East): Is this a new venture for the Conservative party?

Mr. Speaker: The hon. member will get the floor if he rises.

Mr. Henderson: I hate to bother him, Mr. Speaker—

Mr. Horner (Acadia): What did Mackenzie King say about it?

Mr. Speaker: Order. Hon. members should listen to the hon. member who has the floor.

Mr. Henderson: We are going to have sweepstakes whether or not we like them. We should use the money for the hospitals. You have to be quite wealthy, almost a multi-millionaire to enter a hospital today because it is very expensive. Why should we not take a commission from these sweepstake tickets? It is the only chance you will ever get in your life to have $140,000. Some people win it. I never won a dime in my life, but I am going to take a chance again. I think it is time for the vote. We are all in favour of this, so let us have it.

(Translation):

Mr. Alfred Belzile (Matapedia-Matane): Mr. Speaker, I should like to say a few words in support of this bill. Since I am not a lawyer, I do not pretend, of course, to be very conversant with the law. However, as the hon. member for Cariboo (Mr. Henderson) has just stated, gambling and lotteries are taking place throughout Canada at present whether we like it or not.

I realize that some people like to say that laws are made to be broken; but the fact remains that it is not always pleasant to see that so many offences are committed against laws enacted by the state. There is a basic principle to the effect that within a family, the father and mother must take all the means at their disposal to enforce obedience by their children.

The government is like the father of a family. In my opinion, it is only logical that it should have at its disposal all possible means to ensure the respect of its laws. We all know that gambling and lotteries are taking place in the province of Quebec and throughout Canada. Some lotteries are sponsored by philanthropic organizations, others by sport, recreational or charitable associations. On the other hand, we are aware of the fact that some lotteries benefit only one or two persons. Some lotteries thrive on the public's money and yet the proceeds are intended only for a handful of swindlers.

Mr. Speaker, I quote this sentence from the explanatory notes of the bill:

> Accordingly, a board is set up with power to operate sweepstakes on a national scale.

I suggest that the law should be amended in two different ways, the one to broaden its scope, the other to narrow it down.

The scope of the law should be broadened in the sense that honest games and honest lotteries held for charitable or welfare purposes should be permitted. One would then not only be glad to contribute to charity at

home, but, his conscience being clear, he would be happy in the thought that he is abiding by the laws of his country and his province.

On the other hand, the scope of the law should be narrowed down to make it more strict, to have it prohibit severely and thoroughly games and lotteries which are of no benefit to the nation and the people.

Mr. Speaker, I believe that in this way, our people would find deep satisfaction in the knowledge that their government had made it easier for them to respect its laws.

(Text):

Mr. K. H. More (Regina City): The bill before us seems to be one that is popular at the moment. In this air of popularity, it is very easy to go along with the idea. I have listened carefully to the speeches that have been made so far in this connection, and I think generally speaking statements that have been made are true. However, I wonder whether we have stopped to consider all the implications of these statements? I come from a community of which I am very proud. I have recently read the reports concerning returns to the community chest campaigns across this country this year. It seems to me that in most cases these campaigns fail to reach their objectives. They were disappointing to the people who voluntarily and wholeheartedly sponsored them.

Mr. Richard (Ottawa East): This is not true in Ottawa.

Mr. More: Would you please not interrupt?

Mr. Richard (Ottawa East): This is not true in Ottawa.

Mr. More: I was talking about the general picture. Do not interrupt me. If you want to rise and ask a question, I will accept it. We hear so much about interruptions of hon. members opposite by government members, but nothing is said about interruptions by opposition members. I think this is out of order. I do not indulge in it, and I do not appreciate it. The hon. member is trying to disrupt my argument because he thinks I may be opposed to something he desires. I am willing to hear both sides of the story and make up my mind.

I was speaking of the results obtained in the community chest campaigns across this country this year. The results were disappointing a year ago and I understand they were even more disappointing this year. This is not true of my community, and I am glad to hear it is not true of Ottawa. I believe these community chest campaigns indicate the acceptance by the people of the community of their responsibility under our system. The point I am trying to make is that we all say we like to take a gamble, that the people want to take a gamble, that this money is going out of the country so we should give the people the opportunity to buy the tickets here.

I do not think we can legislate the morals of people, but I do say concern should be expressed somewhere along the line about the apparent growing weakness of our people to contribute legitimately to meet the responsible needs of their communities and their country. If this bill goes through it may be the answer to all the problems of some people, but it may create an awful lot more than they have now. It may leave us holding a bag that we shall have great difficulty filling.

My philosophy is that I would like to see less government and less government spending, regardless of which party forms the government. I would like to see more people stand up and say "we are responsible, we will solve our problems, we will do the job". There is a growing trend today, sponsored by a small group in the far corner of this chamber, a very vociferous group who have a lot of support, though they will not admit it, from another very vociferous group, towards declaiming that governments have an over-all responsibility and that governments can do everything. This trend is weakening our free community. I remember the day when we faced problems involving the lack of food and clothing in small communities in western Canada. Pioneers would come there, raise sod shacks, and the community accepted the responsibility and solved their problems. They did not run to the government and say "Mister, look after me". I regard this tendency as dangerous to our western democracy, and one which could in time make us ripe for communism.

We had an example from the hon. member for Cariboo (Mr. Henderson). I know he is a gambler—I do not say I am not—and he told us about a man who sold 6,000 books of tickets. I believe that in almost every community in Canada today there are professional sellers of sweepstake tickets. They have a sucker list to whom they can sell any ticket that is printed, but there is no guarantee that the tickets people buy from them are legitimate, or that the buyers have any chance of winning. This is happening all over the country and I would hope if any action is taken by parliament in this connection it would be on such a basis that we would not build up a preferred class of people.

Legislation to Establish Sweepstakes Board

For years I have belonged to community sporting organizations. I think it was the hon. member for Acadia (Mr. Horner) who advocated having a national lottery and making everything else illegal. This I would not support. In my community we have one of the top junior A hockey clubs in Canada. In my province we have probably the second best boys' junior hockey league, and we have kept that league alive through community support. In the city of Regina we publish a year book for the benefit of the club, and people I know have subscribed $6,000 a year to the purchases of the club through the year book. This is a substantial acceptance of the responsibility of the community, but we found that in itself it was not enough. Other people in the community, who would have howled to high heaven were the club disbanded and its work among 3,000 boys stopped, gave their assistance when we ran a "young Canadian" night and gave away a car. The tickets for that could be sold any place in the city with ease. This is an area which I believe is deserving of attention where a legitimate purpose can be served.

The prizes which are given away are not huge. The fortunate winners cannot desert their legitimate occupations and start lives of ease, but they are substantial prizes that attract the support of the public and in that way provide much needed money. Organizations such as that, and matters of this kind, should not be overlooked. I do not think anybody misunderstood the reference by the hon. member for Acadia to members of the R.C.M.P. buying sweepstake tickets, but it is unfortunate that he used that example. They are human like the rest of us. Had he said he was a member of parliament and had a ticket in his pocket for the next sweepstake, it would have been a far better example. I belong to that category and I believe if a poll were taken of the members of the House of Commons it would show almost all of us to be in that category. What is said about the gambling instinct is true, but this is something with which we should not deal without consideration of the over-all picture.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire what we shall be doing on Monday? I also hope it will be possible for the house leader to give us an indication of what business we shall be taking up for the first few days of next week.

Mr. Churchill: On Monday we shall continue with supplementary estimates. Had we made greater progress today we might have considered something else for Monday, but should the supplementary estimates be passed on Monday then it would be possible to go on with other government orders, of which there are nine on the order paper now, with another seven to be added on Monday by way of resolutions and the introduction of bills. At the moment, I do not see any prospect of completing the present supplementary estimates on Monday but should the house do so I am quite prepared to go ahead with the bills standing in my name.

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

APPENDIX

COLUMBIA RIVER—CORRESPONDENCE BETWEEN MINISTER OF FINANCE AND PREMIER BENNETT

Ottawa, January 5, 1962

The Honourable W. A. C. Bennett, M.L.A.,
Premier of British Columbia,
Victoria, B.C.

My dear Premier:

I acknowledge receipt of your telegram of January 4th reading as follows:

"Will be in Toronto at King Edward hotel on Friday January twelfth only. Would make time available for discussion on Columbia if you thought advisable."

I have replied thereto as follows:

"Reurtel deeply regret cannot be in Toronto January twelfth. Will be engaged all day at meeting of Canada-U.S. continuing committee on trade and economic matters in Ottawa. Hope you can suggest other dates for our meeting."

I am very sorry that I am not available on the date you suggested, but the date of the meeting of the Canada-U.S. committee was set several weeks ago and involves a large number of ministers and officials from both countries. It is expected to continue also on January 13th.

Yours sincerely,
Donald M. Fleming

Ottawa, January 5, 1962

The Honourable W. A. C. Bennett,
Premier of British Columbia,
Victoria, B.C.

Reurtel deeply regret cannot be in Toronto January twelfth. Will be engaged all day at meeting of Canada-U.S. continuing committee on trade and economic matters in Ottawa. Hope you can suggest other dates for our meeting.

Donald M. Fleming,
Minister of Finance.

TLX U VICTORIA BC 4 241P PST

Hon. Donald M. Fleming,
Minister of Finance, Ottawa.

Will be in Toronto at King Edward hotel on Friday January twelfth only. Would make time available for discussion on Columbia if you thought advisable.

W. A. C. Bennett, Minister of Finance.

The Honourable Donald M. Fleming, Minister of Finance, today released copies of his letter to Premier W. A. C. Bennett of British Columbia under date of December 23, 1961, dealing with the Columbia river power project.

Minister of Finance

Ottawa, December 23, 1961

The Honourable W. A. C. Bennett, M.L.A.,
Premier of British Columbia,
Victoria, British Columbia.

My dear Premier:

Before going overseas to the NATO meetings last week, I sent you an interim reply on December 9th to your letter of November 27th concerning the Columbia river treaty. I have now had an opportunity to review the situation.

I would welcome an early resumption of discussions on the financial arrangements, but my colleagues and I feel that it is most important that we should first remove any misunderstanding that may exist about the real purpose of the treaty. In your earlier letter of June 9 you stated that in your view all of Canada's share of the downstream power benefits should be disposed of to the United States. You return to this point in your last letter, and say that it is of paramount importance to you.

This stand is quite contrary to the fundamental purpose of the treaty, which is to secure for the people of British Columbia directly and immediately the cheapest and most abundant electric power available.

I believe it essential to reaffirm the basic position outlined in my letter of May 17 regarding the use which has been clearly envisaged from the beginning on both sides for these power benefits. As you were aware, throughout the negotiation of the treaty, discussions in the Canada-British Columbia policy liaison committee were based on the intention that the bulk of Canada's share of the low cost downstream power benefits would be delivered to Canada for the use and benefit of consumers in British Columbia. The treaty itself accurately reflects this principle. I refer in particular to the following provisions of the treaty:—

"*Article V*—Entitlement to downstream power benefits

(1) Canada is entitled to one half the downstream power benefits determined under article VII.

(2) The United States of America shall deliver to Canada at a point on the Canada-United States of America boundary near Oliver, British Columbia, or at such other place as the entities may agree upon, the downstream power benefits to which Canada is entitled, less

(a) transmission loss,

(b) the portion of the entitlement disposed of under article VIII(1), and

(c) the energy component described in article VIII(4)."

"*Article VII*—Determination of downstream power benefits

(1) The downstream power benefits shall be the difference in the hydroelectric power capable of being generated in the United States of America with and without the use of Canadian storage, determined in advance, and is referred to in the treaty as the downstream power benefits.

(2) For the purpose of determining the downstream power benefits:

(a) the principles and procedures set out in annex B shall be used and followed;

(b) the Canadian storage shall be considered as next added to 13,000,000 acre-feet of the usable storage listed in column 4 of the table in annex B;

(c) the hydroelectric facilities included in the base system shall be considered as being operated to make the most effective use for hydroelectric power generation of the improvement in stream flow resulting from operation of the Canadian storage.

(3) The downstream power benefits to which Canada is entitled shall be delivered as follows:

(a) dependable hydroelectric capacity as scheduled by the Canadian entity, and

(b) average annual usable hydroelectric energy in equal amounts each month, or in accordance with a modification agreed upon under paragraph (4).

(4) Modification of the obligation in paragraph 3(b) may be agreed upon by the entities."

"*Article VIII*—Disposal of entitlement to downstream power benefits

(1) With the authorization of Canada and the United States of America evidenced by exchange of notes, *portions* of the downstream power benefits to which Canada is entitled may be disposed of within the United States of America. The respective general conditions and limits within which the entities may arrange initial disposals shall be set out in an exchange of notes to be made as soon as possible after the ratification date.

(2) The entities may arrange and carry out exchanges of dependable hydroelectric capacity and average annual usable hydroelectric energy to which Canada is entitled for average annual usable hydroelectric energy and dependable hydroelectric capacity respectively.

(3) Energy to which Canada is entitled may not be used in the United States of America except in accordance with paragraphs (1) and (2)."...

"*Article X*—East-west stand-by transmission

(1) The United States of America shall provide in accordance with good engineering practice east-west stand-by transmission service adequate to safeguard the transmission from Oliver, British Columbia, to Vancouver, British Columbia, of the downstream power benefits to which Canada is entitled and to improve system stability of the east-west circuits in British Columbia."

These provisions obviously rest on the intention that, in the normal course, our downstream benefits will be physically returned to Canada. I draw your attention to the word "portion" in Article V and the word "portions" in article VIII. At no time prior to the signing of the treaty was it even hinted by you, your ministers, or your officer who was appointed as one of the four negotiators, that your government would demand that Canada's share of downstream benefits be sold in the United States.

The basic purpose of the treaty is to provide large supplies of cheap power and thereby benefit the people of British Columbia and the economy of Canada as a whole through the industrial development and employment which can be expected to result This purpose would be defeated and British Columbia producers put at a competitive disadvantage if the bulk of the low-cost downstream benefit power is committed to the United States for several decades.

The great advantages to Canada of the development and use of the low-cost power of the Columbia are brought out once again in specific terms in a study made of them by the Montreal Engineering Company. I am sending you under separate cover a copy of this report in two volumes, and I am enclosing herewith a departmental memorandum setting forth briefly some of the conclusions reached in this report.

We have accomplished what seemed at many times to be an unattainable objective

when we were able to negotiate for the return to Canada, free, of one half of the downstream benefits. My colleagues and I would hope that you will be able to return to the real purpose of the treaty and agree that the bulk of Canada's downstream benefit power should be brought back for use in British Columbia, with only the temporary surpluses being sold to the United States, as provided in article VIII of the treaty.

I am, as always, ready to meet with you, and invite you to suggest several alternative dates in January for consideration.

Wishing you the compliments of the season, I am,

Yours sincerely,
Donald M. Fleming

MINISTER OF FINANCE

Ottawa, December 9, 1961

The Honourable W. A. C. Bennett,
Premier of British Columbia,
Victoria, B.C.

My dear Premier:

Thank you for your letter of November 27th concerning the Columbia river power development.

My time has been almost completely occupied throughout the last three weeks in the treasury board's annual review of departmental estimates. This task was concluded only yesterday. On Monday morning I am leaving for Paris to attend the annual meeting of the NATO ministerial council and shall be away for the entire week.

On my return I shall be writing to you in further reply to your letter, and particularly in regard to our proposed meeting.

Yours sincerely,
Donald M. Fleming

OFFICE OF THE PREMIER

Province of British Columbia
Victoria
1961
November 27th.

The Honourable D. M. Fleming, P.C., Q.C.,
Minister of Finance,
Confederation Building,
Ottawa 4, Ontario.

Dear Mr. Fleming:

In view of our previous discussions concerning the implementation of the Columbia river treaty, I thought you should be advised, as the year end approaches, of British Columbia's endeavours to see the treaty projects take shape.

First, licensing procedure under the "Water Act" of this province were undertaken by British Columbia power commission commencing the 24th day of June 1961, and hearings were conducted by the water comptroller, Mr. Paget, commencing the 18th day of September and will conclude in all likelihood before the end of this year. The water comptroller's report, we trust, will follow shortly thereafter.

Second, the massive engineering required to give definition to the treaty projects has been under way since November 1960. Three consortiums of engineers have been put to work, each concerned with one of the three treaty projects involving Arrow lake storage, Duncan lake and Mica creek. By the end of this calendar year $4,400,000 will have been expended by British Columbia for these purposes and it is now to be anticipated that definitive engineering will be virtually complete on Duncan lake by early 1962, Arrow lakes by mid-1962 and Mica creek early 1963. Detailed engineering will proceed concurrently with construction when authorized.

The most important question remaining, among a number posed by the treaty, arises under provisions of clause 8 of the treaty and involves the contemplated disposition of Canadian downstream benefit electricity in the United States. I refer especially to this matter among the various factors affecting finance, because you are aware that British Columbia feels that the exchange of notes establishing sale of downstream benefits pursuant to clause 8 is the key to Canadian financial well-being. Canada's position is, of course, in effect to be assumed and discharged by British Columbia. Therefore this matter is of paramount importance to us in arranging finance.

My purpose in writing is to suggest that time and events are becoming appropriate for our respective financial officers to bring themselves up to date on this whole matter. I would appreciate learning from you a date which might be suitable for a further meeting and would be pleased to suggest, if it were convenient to you, that you and your advisers might meet in Victoria, but if this is not possible I shall be glad to meet you in Ottawa. While I am very busy preparing for the opening of our own legislature, and with the preparation of the budget, yet I feel that the treaty should be ratified as soon as possible, and therefore will be pleased to go to Ottawa.

Kindest personal regards,

Yours very truly,
W. A. C. Bennett
Premier

HOUSE OF COMMONS

Monday, January 29, 1962

The house met at 2.30 p.m.

EXTERNAL AFFAIRS

TANGANYIKA—APPOINTMENT OF FIRST CANADIAN HIGH COMMISSIONER

Hon. Howard C. Green (Secretary of State for External Affairs): Last December, Mr. Speaker, I announced that the government had decided to extend its diplomatic relations with the independent states of Africa by opening new diplomatic missions in Tanganyika and the Federal Republic of Cameroon. I am pleased to announce today that an experienced officer of my department, Mr. Norman Berlis, has been appointed as the first Canadian high commissioner to Dar-es-Salaam, Tanganyika.

This appointment is a mark of the importance which the government attaches to the establishment of close relations between this new member of the commonwealth and Canada. Mr. Berlis, a native of Toronto, is a graduate of the University of Toronto and Osgoode Hall, and has had extensive service for Canada both during the war and in the Department of External Affairs. At present he is head of the information division. The Canadian mission in Dar-es-Salaam will have important functions to fulfil, particularly in the field of educational and technical assistance under the special commonwealth African aid program.

As an example of the close and friendly cooperation between Canada and the former British colonies in Africa, the house might be interested to know that during the visit to Ottawa on December 17 of the chief minister of Uganda, Hon. B. K. W. Kiwanuka, who is the first minister, I discussed with him the ways in which Canada might be able to extend assistance to his country under the special commonwealth aid to Africa program. The proposal to which he gave highest priority was the attachment of a senior foreign service officer to the Canadian delegation to the United Nations in New York.

I am glad to be able to inform the house that we have already acted on this request. Mr. A. K. Kironde, a former Uganda minister of works, who is to become ambassador and head of the Uganda delegation to the United Nations when his country becomes independent on October 9 of this year, has joined our New York delegation as an observer as of January 25 after spending three days in Ottawa, and he will continue with the delegation until he becomes permanent representative of Uganda. Canada is paying his expenses from our special commonwealth aid to Africa funds.

The appointment of Mr. Berlis and this request from Uganda that we help to train their permanent representative at the United Nations are very significant moves, because they are the first moves into east Africa; in due course our high commissioner to Tanganyika will probably also be credited to Uganda and to Kenya.

CANADIAN NATIONAL RAILWAYS

MANITOBA—PROVISION FOR CONSTRUCTION AND PURCHASE OF BRANCH LINES

Hon. Leon Balcer (Minister of Transport) moved for leave to introduce Bill No. C-48, to amend an act respecting the construction of a line of railway by Canadian National Railway Company from Optic lake to Chisel lake, and the purchase by Canadian National Railway Company from the International Nickel Company of Canada, Limited, of a line of railway from Sipiwesk to a point on Burntwood river near Mystery lake, all in the province of Manitoba.

Mr. Pickersgill: Explain.

Mr. Balcer: Mr. Speaker, I think what you have just read is a perfect explanation of the purpose of the bill and I have nothing to add.

Motion agreed to and bill read the first time.

SMALL BUSINESSES LOANS ACT

AMENDMENT RESPECTING BUSINESS IMPROVEMENT LOANS

Hon. Donald M. Fleming (Minister of Finance) moved for leave to introduce Bill No. C-49, to amend the Small Businesses Loans Act.

Mr. Martin (Essex East): Explain.

Mr. Fleming (Eglinton): The purpose of this bill is to enlarge in one particular the purposes for which loans may be authorized under the said statute.

Mr. Martin (Essex East): What is the particular?

Proposed Legislation

Mr. Speaker: Mr. Fleming, Eglinton, moves that the said bill be now read the first time.

Mr. Martin (Essex East): Mr. Speaker, we have asked the minister to give us an explanation of this bill and he has simply rephrased or paraphrased what is already referred to in the title of the bill. The way to give an explanation is to give us the particular with respect to which there will be an amendment.

Mr. Speaker: Order. A bill is not debatable on first reading, and while the house is entitled to ask for an explanation I do not know that it is entitled to complain about the explanation that is given.

Mr. Fleming (Eglinton): Some more gallery play.

Motion agreed to and bill read the first time.

OLD AGE SECURITY ACT

AMENDMENT TO INCREASE AMOUNT OF PENSION

Hon. E. D. Fulton (for the Minister of National Health and Welfare) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Old Age Security Act to increase the amount of monthly pension payable thereunder to sixty-five dollars per month.

Motion agreed to.

OLD AGE ASSISTANCE ACT

AMENDMENTS TO INCREASE ASSISTANCE AND ALLOWABLE INCOME

Hon. E. D. Fulton (for the Minister of National Health and Welfare) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Old Age Assistance Act to increase to sixty-five dollars per month the maximum amount of assistance in respect of which payments may be made to the provinces under the provisions of that act, and to increase the total amount of allowable income, inclusive of assistance, by one hundred and eighty dollars a year in the case of an unmarried person and three hundred and sixty dollars a year in the case of a married person.

Motion agreed to.

BLIND PERSONS ACT

AMENDMENTS TO INCREASE PAYMENTS AND ALLOWABLE INCOME

Hon. E. D. Fulton (for the Minister of National Health and Welfare) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Blind Persons Act to increase to sixty-five dollars per month the maximum amount of allowance in respect of which payments may be made to the province under the provisions of that act, and to increase the total amount of allowable income, inclusive of allowance, by one hundred and eighty dollars a year in the case of an unmarried person and three hundred and sixty dollars a year in the case of a married person.

Motion agreed to.

DISABLED PERSONS ACT

AMENDMENTS TO INCREASE PAYMENTS AND ALLOWABLE INCOME

Hon. E. D. Fulton (for the Minister of National Health and Welfare) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Disabled Persons Act to increase to sixty-five dollars per month the maximum amount of allowance in respect of which payments may be made to the provinces under the provisions of that act, and to increase the total amount of allowable income, inclusive of allowance, by one hundred and eighty dollars a year in the case of an unmarried person and three hundred and sixty dollars a year in the case of a married person.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS

AUTHORIZATION FOR CONSTRUCTION OF LINE FROM WHITECOURT, ALBERTA

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

That it is expedient to introduce a measure to authorize and to provide for the construction of a line of railway in the province of Alberta by Canadian National Railway Company from Whitecourt for a distance of approximately 23.2 miles to the property of Pan American Petroleum Corporation, at a total estimated expenditure of $2,300,000, not to be exceeded by more than 15 per cent; to authorize the issue by the said railway company of securities that may be guaranteed by Her Majesty in right of Canada to finance the construction of the said line; and in order that the said railway company may forthwith proceed with the construction of the said line of railway, to authorize temporary loans to the said railway company out of the consolidated revenue fund upon terms and conditions prescribed by the governor in council and secured by securities of the said railway company.

Motion agreed to.

ST. LAWRENCE SEAWAY AUTHORITY ACT

AMENDMENT TO INCREASE AUTHORITY TO BORROW

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

That it is expedient to introduce a measure to amend the St. Lawrence Seaway Authority Act to provide that the authority, with the approval of the governor in council, may from time to time borrow money from Her Majesty or otherwise to an aggregate that shall not at any time exceed $345,000,000 in lieu of $335,000,000 which it is already authorized to borrow by section 13 of the act.

Motion agreed to.

QUESTIONS

(QUESTIONS ANSWERED ORALLY ARE INDICATED BY AN ASTERISK)

*BROCKVILLE FEDERAL BUILDING SITE

Question No. 1—**Mr. Matheson:**

1. Has the government selected a site for the new Brockville federal building?
2. Has property been acquired?
3. If so, where, from whom, at what price?

Mr. Walker: The answer to the first question is yes. The answer to the second question is yes.

Questions

The answer to question No. 3 is, on Buell street bounded by George and Church streets, from the following persons at the following prices:

A. J. Johnston Co.	$70,000
Mrs. Helen Gamble	14,000
Mrs. Wm. Nedow	10,500
Mrs. Norah Slack	21,000
Mr. H. Casselman	10,500

*MONEY SUPPLY INCREASES AND DECREASES

Question No. 2—**Mr. Matheson:**

1. What has been the net increase or decrease in the money supply for each of the years 1950 to 1961 in terms of volume and percentage?
2. What has been the net increase or decrease in the money supply for each of the months of 1961?
3. What quantity of silver dollars have been minted in 1961 (a) prior to July 13, 1961 (b) subsequent to July 13, 1961?

Mr. Fleming (Eglinton): The answer to these questions contains many figures. May I have leave to put them on *Hansard* without reading them?

Some hon. Members: Agreed.

[*Editor's note: The answers referred to above are as follows:*]

TOTAL CURRENCY AND CHARTERED BANK DEPOSITS

INCLUDING GOVERNMENT DEPOSITS

1.				2.		
		Change during Year				Change
As at Dec. 31	Amount Outstanding	Absolute	Percentage	End of	Amount Outstanding	During Month
	(Millions of dollars)		%		(Millions of dollars)	
1949	8,210	—	—	1960–Dec.	13,914	
1950	8,763	+ 553	+ 6.74	1961–Jan.	13,660	−254
1951	8,759	− 4	− 0.05	Feb.	13,745	+ 85
1952	9,307	+ 548	+ 6.26	Mar.	13,849	+104
1953	9,789	+ 482	+ 5.18	Apr.	13,791	− 58
1954	10,314	+ 525	+ 5.36	May	13,806	+ 15
1955	11,397	+1,083	+10.50	June	13,974	+168
1956	11,438	+ 41	+ 0.36	July	14,160	+186
1957	11,923	+ 485	+4.24	Aug.	14,403	+243
1958	13,247	+1,324	+11.10	Sept.	14,466	+ 63
1959	13,193	− 54	− 0.41	Oct.	14,653	+187
1960	13,914	+ 721	+ 5.47	Nov.	14,972	+319
1960–Dec. 28	13,811					
1961–Dec. 27[1]	15,076	+1,265[2]	+ 9.16[2]			

[1] Month-end figures for December 1961 are not yet available.
[2] Change in 52 weeks ending December 27, 1961.

TOTAL CURRENCY AND CHARTERED BANK DEPOSITS

EXCLUDING GOVERNMENT DEPOSITS

1.				2.		
		Change during Year				Change
As at Dec. 31	Amount Outstanding	Absolute	Percentage	End of	Amount Outstanding	During Month
	(Millions of dollars)		%		(Millions of dollars)	
1949	8,046					
1950	8,506	+ 460	+ 5.72	1960–Dec.	13,404	
1951	8,671	+ 165	+ 1.94	1961–Jan.	13,247	−157
1952	9,258	+ 587	+ 6.77	Feb.	13,297	+ 50
1953	9,316	+ 58	+ 0.63	Mar.	13,550	+253
1954	10,137	+ 821	+ 8.81	Apr.	13,666	+116
1955	10,880	+ 743	+ 7.33	May	13,684	+ 18
1956	11,192	+ 312	+ 2.87	June	13,861	+177
1957	11,500	+ 308	+ 2.75	July	14,016	+155
1958	12,927	+1,427	+12.41	Aug.	14,271	+255
1959	12,789	− 138	− 1.04	Sept.	14,300	+ 29
1960	13,404	+ 615	+ 4.81	Oct.	14,636	+336
				Nov.	14,456	−180
1960–Dec. 28	13,263					
1961–Dec. 27[1]	14,444	+1,181[2]	+ 8.90[2]			

[1] Month-end figures for December 1961 are not yet available.

[2] Change in 52 weeks ending December 27, 1961.

3. 1,252,928 (*a*) 877,284 (*b*) 375,644.

*TEST HOLE PROJECT, SUMMERSIDE, P.E.I.

Question No. 3—**Mr. Peters:**

1. Has the Department of Mines and Technical Surveys drilled or is it planning to drill a test hole in or near Summerside, P.E.I., and, if so, why?

2. How many men will the project employ, and of these, how many will be hired locally over and above regular government personnel?

3. Is this a special make-work project in P.E.I.?

4. Did any oil companies conduct drilling operations in this area in recent years, and, if so, did the department receive any information on these drillings?

Mr. Flynn: The answer to this question is rather long and I would ask leave to have it printed in *Hansard* without reading it.

Some hon. Members: Agreed.

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

1. The Department of Mines and Technical Surveys is preparing to have drilled, in the near future, one or more core test holes in the general vicinity of Summerside, P.E.I., for the purpose of securing sub-surface geological information as an aid to determining the geological structure in this district.

[Mr. Fleming (Eglinton).]

2. The drilling will be done by the Department of Public Works on behalf of the Department of Mines and Technical Surveys. It is expected that two or perhaps three drills will be operated. It is understood that each of these will require, in addition to a D.P.W. driller, a driller's helper and two to four labourers. The helpers and labourers will be hired locally.

3. The project is being carried out under the federal government winter work program.

4. During 1959, Imperial Oil Limited drilled three wells in search of oil in this general district. These were: (1) Imperial Wellington Station No. 1; (2) Imperial MacDougall No. 1; and (3) Imperial Port Hill No. 1. The geological survey of Canada, Department of Mines and Technical Surveys, has received cores, samples, and other information on these wells.

*SECTION 96A(2), INDIAN ACT

Question No. 4—**Mr. Howard:**

1. Since September 29, 1961, has any referendum been held among the electors of any Indian band in British Columbia respecting the bringing into force of section 96A(2) of the Indian Act and, if so, what is the name of each such band, the date upon which each referendum was conducted, and the results of the referendum therein?

2. What action has been taken, or is planned, with respect to the results of the said referenda?

Answer by: **Mrs. Fairclough:** The answer to the first question is yes.

The names of the bands and the dates of the referenda are as follows: Kincolith, December 5, 1961—in favour; Fort George, November 14, 1961—in favour; Necoslie, November 23, 1961—in favour; Steliaquo, December 12, 1961—in favour; Canyon City, January 5, 1962—in favour; Gitlakdamix, January 5, 1962—in favour; Greenville, January 5, 1962—in favour; Sechelt, January 4, 1962—in favour.

The answer to the second question is that the results of all referenda have been referred to the governor in council for consideration with respect to the issuing of a proclamation bringing subsection 2 of section 96 A into force in the reserves belonging to the above bands.

*TELEVISION SURVEYS, SKEENA, B.C.

Question No. 5—**Mr. Howard:**

1. Since January 1, 1961, have any surveys been made of the need for television facilities in the electoral district of Skeena and, if so, what are the results of these surveys, and the areas or communities so covered?

2. Has any decision been made to establish such facilities in the said electoral district and, if so, when is it expected that such facilities will be installed, in what communities, and covering what areas?

Mr. Lambert: With respect to the board of broadcast governors I am advised that in answer to the first part of the question the board itself has made no surveys of the needs for television facilities in the electoral district of Skeena, nor is it aware of any specific surveys made by private operators.

With respect to the Canadian Broadcasting Corporation, I am advised that during 1961 the corporation did conduct a survey in the electoral district to determine the feasibility of providing television service to the communities of Prince Rupert, Kitimat and Terrace. A final decision has not been reached pending further study and evaluation of the C.B.C. engineering proposals, and an evaluation of a new proposal put forward by a private operator who has applied to the C.B.C. for network affiliation.

*ESCAPES FROM PENITENTIARIES

Question No. 6—**Mr. Howard:**

For each year since 1950, how many inmates, if any, have escaped from penitentiaries, and how many of the said escapees have been recaptured?

Mr. Fulton: As the number of years and the statistics are fairly lengthy I suggest the answer might appear in *Hansard,* and I shall at once send a copy to the hon. member.

Some hon. Members: Agreed.

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

ESCAPES FROM PENITENTIARIES

Calendar Year	Inmates escaped	Inmates recaptured
1950	4	
1951	1	
1952	14	
1953	14	
1954	15	
1955	14	All recaptured
1956	16	
1957	10	
1958	9	
1959	16	
1960	30	
1961	71	63 inmates recaptured (8 inmates unlawfully at large)
1962	1	Recaptured
Total	215	

Note: The above indicates the escapes during the period January 1 to December 31 of year indicated opposite number of inmates who escaped.

Questions

INDIAN ACT INFRACTIONS RESPECTING INTOXICANTS, SKEENA, B.C.

Question No. 7—**Mr. Howard:**

For each month since January 1, 1960, what was, in each of the Royal Canadian Mounted Police detachments in the Skeena electoral district, the number of Indians, as defined in the Indian Act, (a) charged with, and (b) convicted of, infractions of the sections of the Indian Act relating with intoxicants, and with respect to the convictions, what were the penalties imposed by number of Indians in each appropriate grouping of such penalties, and the total amount of fines levied?

Answer by: **Mr. Fulton:** By order in council dated March 18, 1888, the British Columbia government were given and assumed responsibility for the enforcement of the Indian Act and all other statutes, both federal and provincial, in connection with Indians in British Columbia. The situation, therefore, is that although the R.C.M. Police in British Columbia do carry out police functions in British Columbia under provincial authority they do so as the agents of the provincial government under contract. The particulars sought here do not fall within federal competence and accordingly the question should be directed to the government of British Columbia.

Mr. Speaker: I would call the minister's attention to the fact that the question he has just answered is not marked with an asterisk and it is quite in order—in fact, it is contemplated—that the answers to these questions which do not bear an asterisk will simply be tabled.

Mr. Fulton: I regret having taken up the time of the house unnecessarily, I think owing to my being the first one exposed to the new procedure.

SURVIVAL AND RESCUE TRAINING COURSES

Question No. 8—**Mr. Howard:**

1. Since September 7, 1961, how many men (a) started (b) completed, and (c) were rejected for the first training course which was designed to increase the number of men trained to take part in survival and rescue operations?
2. How many men (a) started, and (b) were rejected for any such subsequent training courses?
3. What has been the cost to date of this program?

Answer by: **Mr. Chambers:**

1. (a) 20,523, (b) 17,632, (c) 3,464.
2. (a) 25,878, (b) 5,492.
3. $7,414,482.

EMERGENCY MEASURES RECEPTION FACILITIES

Question No. 9—**Mr. Howard:**

Since September 13, 1961, what steps, if any, has the emergency measures organization taken with respect to the planning and providing of reception facilities and shelters for those who would need them following their evacuation from their homes in the event of nuclear war?

[Mr. Fulton.]

Answer by: **Mr. Diefenbaker:** Planning and providing reception facilities and shelters for those who would need them following evacuation from their homes in the event of a nuclear war are, by agreement, primarily provincial and local responsibilities. The federal government provides help by way of advice, consultation, and financial support under the financial assistance program. Since September 13, 1961, these forms of federal assistance have been continued and emphasized. Certain aspects of the subject were reviewed at the conference on November 27, 1961, between federal and provincial ministers charged with responsibilities in civil emergency planning.

FALL-OUT SHELTER CONTRACTS, ARNPRIOR, ONT.

Question No. 10—**Mr. Howard:**

1. Since September 13, 1961, has any contract been awarded for construction, at Arnprior, of a variety of prototype fall-out shelters, and, if so, what was the amount of the contract, and who was the person awarded the contract?
2. Were there any other bidders, and, if so, what are their names, addresses, and amount of each bid?
3. Have any of the said prototype shelters been completed, and, if so, how many, and what is considered to be the best type for each particular purpose for which such shelters are considered to be necessary?
4. Have any steps been taken financially to assist our fellow Canadians to acquire such shelters, and, if so, what are the details?

Answer by: **Mr. Diefenbaker:**

1. The contract was awarded October 23, 1961, for construction at Arnprior of a variety of prototype shelters. The amount of the contract was $24,473, and it was awarded to N. Sullivan and Son, Arnprior, Ontario.

2. There was another bidder, M. G. Sulphur, Renfrew, Ontario, and the amount of that bid was $25,408.

3. Three such prototype shelters have been completed except for a limited amount of internal fitting on which the work is now progressing. One of the shelters is of medium size, made of reinforced concrete, designed to accommodate some 30 persons and to give some protection against blast as well as fall-out. The second is of similar character except its capacity is limited to 5 or 6 persons, suitable for a family. The third is a below ground structure of family size, made from concrete blocks affording excellent fall-out protection, with limited protection against blast. Each of these is felt to be the best type for the particular purpose in mind.

4. Yes. Persons wishing to construct shelters of this sort in their homes or on their premises may secure government guaranteed loans under the National Housing Act.

FALL-OUT PROTECTION, FEDERAL BUILDINGS

Question No. 11—**Mr. Howard:**

1. Since September 13, 1961, how many federal buildings (a) have been considered to have adequate fall-out protection (b) can be improved to provide such protection, and what is the estimated cost of making such improvements and providing essential facilities and supplies (c) cannot be thus improved due to the excessive costs involved?

2. Are steps being taken to so improve such buildings to provide adequate fall-out protection, and when is it estimated that this work will be completed?

3. How many of the buildings referred to respectively in (a), (b), and (c) of part 1 of this question are in target cities?

4. How many of the said buildings were considered to have been destroyed during exercise Tocsin B?

Answer by: **Mr. Diefenbaker:**

1. During 1961 surveys of federal buildings with respect to fall-out protection have been carried out by two departments, the Department of Public Works and the Department of National Defence. Since the surveys by the Department of National Defence and the evaluation of them will not be completed until March 31, 1962, the information given here refers to the information gathered by the Department of Public Works only.

In its surveys it has been found that 504 federal buildings are considered to have adequate fall-out protection. In its opinion 324 additional buildings can be altered to provide adequate fall-out protection at an estimated cost of approximately $5,000,000 for the necessary improvements and essential facilities and supplies. Some 4,000 other federally owned buildings could only be provided with fall-out protection at considerably greater cost.

2. The results of the detailed surveys described in 1 are at present under consideration and no decision to undertake construction has yet been made.

3. Of the 828 federal buildings, including the 504 with adequate fall-out protection and the 324 that could economically be modified, there are 281 in areas listed as possible target areas.

4. Of these 828 buildings, it is estimated that 214 would have been destroyed under the circumstances assumed in exercise Tocsin B. No detailed review was made of the other buildings.

FALL-OUT PROTECTION FACILITIES, TARGET AREAS

Question No. 12—**Mr. Howard:**

Since September 13, 1961, has the emergency measures organization, or any other part of government developed any measures to give priority to target areas for increasing fall-out protection for those dwelling in private houses or apartment houses by making it possible for people to make use of government, privately owned, commercial, and industrial buildings, and, if so, what are those measures?

Answer by: **Mr. Diefenbaker:** Since September 13, 1961, the emergency measures organization, together with other agencies of government immediately concerned, such as the Department of Public Works, has been considering measures, with special attention to target areas, that would increase fall-out protection for those dwelling in private houses or apartment houses, by making it possible for people to use government, privately owned, commercial, and industrial buildings. Before firm recommendations can be made in this matter, it has been found necessary to procure a good deal of basic information. This includes the number of buildings that already have a reasonable degree of protection against radioactive fall-out, what buildings could economically be modified to afford such protection, what numbers of people under emergency conditions they would accommodate, what costs would be involved in improving the fall-out protection factor, and numerous other related facts.

While various buildings of the types enumerated above are subject to consideration, first priority has been given to federally owned buildings. The next group given attention includes those owned by provincial and municipal governments. Extensive surveys have been carried on by the Department of Public Works with respect to federally owned buildings and these surveys are supplemented by those now in progress by the Department of National Defence with respect to army buildings. Concurrently, provinces and municipalities have been encouraged to undertake sur veys of buildings they own. These surveys are now going forward at numerous points in Canada.

The federal government has provided technical advice and in some instances has provided personnel as well to assist in the surveys. The costs of such surveys made by provinces and municipalities are recognized as an appropriate part of the financial assistance program for emergency planning, and thus to the extent of 75 per cent are met from federal funds.

Beyond the buildings owned by various governments it would be anticipated that commercial and industrial buildings would fall into the next priority for survey purposes. When the degree of fall-out protection afforded by such buildings and their capacity for habitation for survival purposes have been determined, then measures for possible use of such buildings in an emergency can be given detailed consideration.

Questions

NATIONAL SURVIVAL TRAINING COURSE QUOTAS

Question No. 14—**Mr. Argue:**

1. What was the quota for the first and second national survival training courses?
2. How many enrolled for the first and second courses?
3. How many completed the first course?
4. How many of those who completed the first course have joined (a) the regular forces (b) the militia?

Answer by: **Mr. Harkness:**

1. The quotas for the first and second SMTP courses were 25,000 each.

2. (a) First course: 20,523
   (b) Second course: 25,878

3. 17,632

4. (a) 514
   (b) 6,857

*BOMARC MISSILE INSTALLATIONS, NORTH BAY AND LA MACAZA

Question No. 15—**Mr. Argue:**

1. Are Bomarc missiles being installed at bases near North Bay and/or La Macaza?
2. If so, have these Bomarcs been fitted with (a) conventional warheads (b) nuclear warheads?
3. If not, which warheads are on order, (a) conventional warheads (b) nuclear warheads?
4. Do conventional warheads for the Bomarc exist at present?
5. If not, what is their present stage of development?

Mr. Chambers: Mr. Speaker, the answer to this question is as follows:

1. Bomarc B missiles are being installed at North Bay. As La Macaza has not yet reached the installation phase, no missiles have been installed at this base.

2. (a) No.
   (b) No.

3. No agreement has been made for the supply of warheads as yet.

4 and 5. A conventional warhead was at one time under development for the Bomarc A missile. There has been no further development to date.

U.S. SAC FLIGHTS OVER CANADA

Question No. 17—**Mr. Argue:**

1. Do aircraft of the United States Strategic Air Command fly over Canada carrying H-bombs whenever an alert is called?
2. How many alerts have been called in each of the last 10 years?
3. On how many occasions in the last 10 years have aircraft of the U.S. Strategic Air Command carrying H-bombs flown over Canada?

Answer by: **Mr. Harkness:**

1, 2 and 3. The procedure with regard to Strategic Air Command aircraft overflying Canadian territory carrying nuclear weapons was explained by the Prime Minister in the House on June 3, 1958 (Official Record page 781) and again on March 17, 1959 (Official Record page 2011). On the former occasion the Prime Minister stated that it would not be in the public interest to give any indication of either the frequency of such flights or the number of aircraft involved.

*C.N.R. FREIGHT RATE INCREASES ON IRON ORE

Question No. 18—**Mr. Fisher:**

1. Has the Prime Minister and/or the Minister of Transport received in the last six months any reports, briefs, telegrams, letters, etc. or delegations from any person, persons, or organizations, regarding freight rate increases applied by the Canadian National Railways on iron ore shipped from Atikokan, Ontario, to Port Arthur?
2. If so, when, by whom, to what effect, and with what consequence?

Mr. Balcer: Mr. Speaker, the answer to part 1 is no, and part 2 is therefore not applicable.

*PUBLIC WORKS MINISTER'S TOUR OF ASIA

Question No. 19—**Mr. Fisher:**

1. Did the Minister of Public Works make a tour of southern and southeastern Asia in 1961?
2. If so, what was the purpose of the tour?
3. What cities and countries did he visit?
4. Has he made any public report upon this tour; if so, what was its gist?
5. Has his department any plans or has it set aside any funds to help carry out any recommendations or suggestions he may have made in such a report?
6. If so, what is the nature and scale of such a project?
7. How many, and what other nations, have given indications that they wish to join in such a project?

Mr. Walker: Mr. Speaker, the answer to this question is as follows:

1. I visited Malaya, India and the crown colony of Hong Kong.

2. I was the Canadian government representative to the annual meeting of the Ministerial council of the Colombo plan.

3. Kuala Lumpur, Malaya; New Delhi, India; and Hong Kong.

4. As the house was not in session the only public reports made were in the form of newspaper interviews in Asia and Canada. The gist of them was an outline of the accomplishments of the Colombo plan and Canada's part in them.

5. No. I was assigned this responsibility as a member of cabinet. The Department of Public Works is not directly involved in the Colombo plan.

6 and 7. Not applicable.

* SHIP CONSTRUCTION CONTRACTS

Question No. 20—**Mr. Chevrier:**

1. Since the announcement in the house on May 12, 1961, of the subsidy for the construction

of ships, how many contracts have been entered into between the Canadian maritime commission, the ship builder, and the ship owner?

2. How many such contracts are for (a) operation in the deep-sea trade (b) operation in the lake and coastal trade (c) trawlers and fishing vessels?

3. In what shipyards are these being built?

4. How many such ships were contracted for with the shipyards prior to (a) May 12, 1961 (b) since May 12, 1961, and before September 27, 1961, (c) since September 27, 1961?

5. How many such applications are for (a) operation in the deep-sea trade (b) operation in the lake and coastal trade (c) trawlers and fishing vessels?

Mr. Balcer: Mr. Speaker, the answer to this question is as follows:

As it is not possible at the present time to answer specifically each part of this question, I would like to deal with it as a whole.

I might first say that contracts are not entered into between the Canadian maritime commission and the owners. What is negotiated between the commission, the owners and the builders is an agreement which covers the payment of subsidy for a specific project. The agreement can be signed only after all matters associated with the application for the subsidy have been settled, and it has not been possible up to now for the commission to complete the required detailed arrangements. Actual agreements not having yet been signed, it is considered that names of shipyards and shipowners concerned should be withheld pending formal execution of agreements.

Up to the present 79 applications have been reported to the commission in respect of vessels which could come under the subsidy. The value of such construction amounts to approximately $75,000,000, and the work is being carried out in some 30 different shipyards throughout the country.

Of the applications before the commission, 5 are for passenger and cargo vessels, 17 dry cargo, 4 oil tankers, 15 tugs, 24 barges, 11 fishing vessels and 3 miscellaneous.

*UNEMPLOYMENT INSURANCE FUND

Question No. 21—**Mr. McMillan:**

What was the net amount, exclusive of loans, if any, from the treasury, in the unemployment insurance fund, at the latest available date, with securities held, quoted: (a) at par (b) at their current market values?

Mr. Fleming (Eglinton): Mr. Speaker, at December 31, 1961, $163,305,098.55, including $157 million in non-marketable securities redeemable on 30 days notice.

*SURPLUS TRAILERS, D.E.W. LINE POINTS

Question No. 22—**Mr. Badanai:**

1. Are trailers now being used at D.E.W. line points shortly to become surplus equipment?

2. If so, how soon will these trailers become available for disposal, and at what price?

Mr. Green: Mr. Speaker, the answer to this question is as follows:

1. Crown Assets Disposal Corporation is not informed in advance of the nature or quantity of equipment to be declared surplus by the United States government the owner of the equipment mentioned.

2. When and if such equipment is reported surplus and is accepted for disposal by the corporation, acting as agent of the United States government, it will be sold to the highest bidder in accordance with corporation practices.

*COASTAL TRAFFIC REGULATIONS

Question No. 23—**Mr. Badanai:**

1. Do present coastal traffic regulations permit only vessels built and owned in Canada?

2. If so, what is the position of boats built years ago in other countries which have been operating on the great lakes for many years by various owners?

Mr. Balcer: Mr. Speaker, the answer to this question is as follows:

1. No. In accordance with the commonwealth merchant shipping agreement and the Canada Shipping Act, ships on commonwealth registry may engage in the coasting trade of Canada.

2. Ships operating on British registry but built outside the commonwealth, in order to engage in the coasting trade of Canada, must obtain a licence from the Minister of National Revenue obtainable on payment of a 25 per cent ad valorem duty.

*UNEMPLOYMENT BENEFIT RECIPIENTS

Question No. 24—**Mr. Lessard:**

According to the most recent statistics, how many unemployed are in receipt of unemployment benefits?

Mr. Thrasher: Mr. Speaker, a record is not available at any given time indicating the number of persons actually in receipt of benefit since payments are made at varying intervals in the case of postal claimants and personal payments at local offices.

*SIREN FAILURES, EXERCISE TOCSIN B

Question No. 26—**Mr. Pitman:**

1. How many sirens did not work properly during exercise Toscin B?

2. In what centres were these sirens located?

3. How many sirens have at present been installed and, at what total cost?

4. Have reports of complaints of freezing up of sirens been received and, if so, from what areas have these reports emanated?

5. What steps have been taken to prevent such freeze up in the future?

Questions

Mr. Chambers: Mr. Speaker, the answers to the five parts of this question are as follows:

1. 53 sirens failed to sound and there were an additional 70 partial failures during exercise Tocsin B.

2. Halifax, Montreal, Ottawa, Belleville, Toronto, Fort William, Fort Erie, Oshawa, St. Catharines, Sault Ste. Marie, Barrie, London, Dunnville, Hagersville, Windsor, Essex, Winnipeg, Edmonton, Calgary, Vancouver, Victoria, Trail.

3. (a) As of January 4, 1962, 744 sirens have been installed and an additional 857 have been procured from the manufacturer for installation.

(b) Total committed funds to date, which include purchase of sirens and installation contracts not completed, are $2,008,760.06. Cash expenditure to date is $821,108.30.

4. Reports have been received of the sirens icing up at the following locations: Edmonton, Montreal, Peterborough, Ottawa, Kingston, Hamilton, Windsor.

5. Tests are currently being conducted by the army in conjunction with national research council, a consulting engineering firm and the manufacturers to determine the most reliable and economic method to prevent icing and stoppages.

*PRODUCTIVITY COUNCIL MEETINGS

Question No. 28—**Mr. Pitman:**

1. How many meetings have been held by the productivity council and, how long has each meeting lasted?

2. Have any members resigned from the productivity council since it was originally established and, if so, what are their names?

3. Have all designated members of the productivity council been in attendance at all meetings and, if not, what members have been absent?

Mr. Morris: Mr. Speaker, the answers to the three parts of this question are as follows:

1. There have been five meetings held, three of which lasted one day and two lasted two days.

2. Yes, Mr. Jean Raymond and Mr. H. R. Milner.

3. The meetings of the productivity council have been well attended, and while it would be incorrect to state that all members have attended all of the meetings I can assure the house that all members have been in attendance at some time or other and many have attended all meetings. Having regard to the voluntary service rendered by these public spirited citizens, the attendance record has been very good indeed.

[Mr. Pitman.]

*T.C.A.-C.P.A. AMALGAMATION, INTERNATIONAL SERVICES

Question No. 30—**Mr. Cardin:**

Is it the intention of the Department of Transport to encourage the integration of the Trans-Canada Air Lines and the Canadian Pacific Airlines for the provision of service on international routes?

Mr. Balcer: Mr. Speaker, any statement of government policy with regard to the subject matter of this question would be announced by the government in the usual and appropriate manner.

*U.I.C. RULING RESPECTING UNION MEMBERS

Question No. 32—**Miss LaMarsh:**

1. Has the unemployment insurance commission received any representations opposing its ruling that union members while engaged on union business during regular work hours cannot make unemployment insurance contributions?

2. If so, has the commission reversed its ruling?

3. If it has not reversed this ruling, what are the reasons for this ruling?

Mr. Thrasher: Mr. Speaker, the answers to the three parts of this question are as follows:

1. Yes.

2. No.

3. The commission's decision reads as follows:

The law is quite clear on the point that an unincorporated association is not a legal entity and that a member of such a society cannot be employed under a contract of service by the association of which he is a member, since he is individually as much the employer as every other member and therefore cannot also be the employee of the association under a contract of service which requires the relationship of master and servant between two different persons.

I might add that when the union was advised of this ruling by the commission it was also informed that, if desired, an appeal could be made to the umpire who is the final authority under the Unemployment Insurance Act.

*MECHANICAL TRADES WAGE RATES, POINT EDWARD NAVAL BASE

Question No. 33—**Mr. Granger:**

1. Has the Minister of Labour received a communication from the Cape Breton district command of the Royal Canadian Legion supporting a request for the upgrading of wage rates for prevailing rate employees in the mechanical trades at Point Edward naval base?

2. If so, has any action been taken by the Department of Labour in the way of conducting a wage review or increasing the rates?

Mr. Thrasher: Mr. Speaker, the answers to the two parts of this question are as follows:

1. Yes. Representations were also received from the hon. member for Cape Breton North and Victoria.

2. The Department of National Defence made a request for a review of the rates of pay of the various classifications employed at Point Edward naval base. The Department of Labour has authorized a wage survey to be made in the area in order to recommend any necessary revisions in the Point Edward naval base rates.

*BUTTER PRODUCTION AND CONSUMPTION

Question No. 34—**Mr. Matheson:**

1. What was the volume of production of butter in (a) 1957 (b) 1961?
2. What was the volume of consumption of butter in (a) 1957 (b) 1961?
3. What volume of butter stocks or their equivalent in butter oil was in storage on December 31, 1961?

Mr. Morris: Mr. Speaker, the answers to the three parts of this question are as follows:

	1957	1961
1. Creamery butter production	303,371,000	350,477,000*
2. Creamery butter consumption	321,554,000	282,288,000*
3. Stocks of creamery butter and butter oil (in butter equivalent) as at December 31, 1961, were 200,087,000*		

*The 1961 figures are preliminary.

*CROP INSURANCE SCHEME, QUEBEC

Question No. 36—**Mr. Pigeon:**

Has the Minister of Agriculture been requested by the authorities of the department of agriculture of Quebec to participate in the crop insurance scheme?

Mr. Charlton: Mr. Speaker, while informal discussions have been held concerning crop insurance, no formal request has been received from the department of agriculture of Quebec to participate in a crop insurance scheme under the Crop Insurance Act.

*LETTER CARRIER DELIVERY REQUIREMENTS

Question No. 37—**Mr. Hicks:**

1. What is the principal requirement to have letter carrier delivery service installed?
2. Who establishes the requirement?
3. Is the requirement ever changed to suit local conditions?
4. Is an apartment house with 20 tenants counted as 20 points of call?
5. Has the town of Abbotsford, B.C., requested in the last year letter carrier service? If so, how far are they short of requirement?

Mr. Hamilton (Notre Dame de Grace): Mr. Speaker, the answers to the five parts of this question are as follows:

1. The availability of 2,500 points of call in a compact, well built up area.
2. Treasury board.
3. No.
4. Yes.

5. (a) Yes—Abbotsford and district chamber of commerce.
(b) 700 calls.

NUCLEAR DEVICE EXPLOSION, ATHABASCA TAR SANDS

Question No. 39—**Mr. Argue:**

1. Have any requests been received from, or have any discussions taken place with (a) the governments of Alberta or the United States of America (b) private oil companies, concerning the explosion of a nuclear device in the Athabasca tar sands in Alberta?
2. If so, on what dates, and what was the federal government's answer in each case?

Answer by: **Mr. Churchill:** The possibility of recovering oil from Athabasca tar sands by the explosion of a nuclear device was brought to the attention of several federal government organizations by a private oil company in 1958. As a result, the former minister of mines and technical surveys set up a committee to investigate the technical feasibility of this proposal. This committee was composed of technical representatives from the oil company and federal and Alberta government organizations and it had discussions with technical officers of the United States atomic energy commission, who had carried out underground tests in that country.

Though there have been discussions on the technical level regarding the feasibility of such an experiment, there have been no formal discussions with the governments of Alberta or the United States of America regarding the actual carrying out of an explosion in the Alberta tar sands. The Prime Minister advised, in answer to a question on March 21, 1960—*Hansard*, p. 2251—that the atomic energy control board, which would have to approve such an experiment, had not received any application for permission to carry out any such explosion. This is still the situation.

*JACQUES CARTIER BRIDGE—CONVICTIONS OF TOLL COLLECTORS

Question No. 42—**Mr. Pigeon:**

How many toll collectors on the Jacques Cartier bridge have been sentenced by court for fraudulent operations?

Mr. Balcer: Mr. Speaker, the national harbours board advise as follows. Subsequent to investigations 26 toll collectors were found guilty under the Criminal Code and sentenced for fraudulent operations at Jacques Cartier bridge.

AGRICULTURAL STABILIZATION BOARD PRODUCTS HELD

Question No. 44—**Mr. Boulanger:**

What was the quantity and the value of each of the agricultural products held by the agricultural stabilization board on December 31, 1960 and 1961?

Questions

Answer by: **Mr. Charlton:**

Agricultural Product	December 31, 1960 Quantity	Value	December 31, 1961 Quantity	Value
	lb.	$	lb.	$
Butter	103,043,205	81,201,143.16	120,804,133	126,070,319.78
Butter oil	15,163,046		53,807,132	
Dry skimmed milk	5,707,973	558,163.19	4,917,473	787,679.54
Waxed cheddar cheese	4,835,160	1,647,195.83	923,023	705,325.39
Pork products	*34,635,323	21,903,821.48	34,083,378	21,298,650.43
Lamb	896,781	401,376.59	4,077,771	1,643,584.99
Raspberries	823,936	341,889.35		

*Sold under contract, awaiting delivery to buyer.

EGG PRICES, 1960-61

Question No. 45—**Mr. Boulanger:**

What was the average price for eggs of each grade for the years 1960 and 1961 (a) in each province (b) in Canada?

Answer by: **Mr. Morris:**

Data on average price of eggs by grade is not available by provinces. Information by cities and Canada, by months, for 1960 and 1961 is given in the attached table.

AVERAGE RETAIL PRICES OF GRADE "A" EGGS, PER DOZEN, FOR SELECTED CITIES AND URBAN CANADA BY MONTHS—1960-1961

		Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
		c.	c.	c.	c.	c.	c.	c.	c.	c.	c.	c.	c.
St. John's	Large 1960	74.8	59.2	61.6	71.9	71.6	70.6	65.7	66.3	79.9	83.8	83.7	87.6
	1961	81.1	68.2	71.2	80.2	71.1	71.8	69.7	71.6	73.0	79.2	87.2	87.3
Halifax	Large 1960	41.9	46.0	50.8	60.3	49.6	44.9	51.0	56.8	68.1	68.2	69.8	63.6
	1961	53.4	50.4	55.9	50.5	50.2	49.4	53.2	58.0	65.9	66.6	70.4	56.4
	Medium 1960	38.5	41.7	46.7	57.9	46.9	39.3	44.9	48.5	63.7	58.0	61.3	58.8
	1961	45.4	44.9	53.2	46.4	46.9	43.6	48.8	51.9	58.2	54.5	64.0	47.5
Saint John	Large 1960	49.2	49.4	52.8	62.3	53.9	50.2	56.8	60.9	73.6	72.7	72.7	69.3
	1961	61.6	52.9	58.5	55.2	54.2	54.2	57.6	63.8	70.2	69.2	72.0	62.2
Montreal	Large 1960	42.4	42.8	48.5	58.7	51.7	46.9	53.3	59.5	67.6	69.0	71.6	63.6
	1961	54.2	52.1	54.3	51.2	51.2	53.3	57.5	60.6	69.9	68.9	71.5	57.5
	Medium 1960	38.8	37.8	46.1	57.3	50.2	42.9	48.8	55.5	63.4	57.0	60.6	58.1
	1961	49.2	46.4	51.8	47.8	46.7	47.4	51.3	52.5	57.7	54.8	64.0	47.7
Toronto	Large 1960	39.7	39.7	45.9	55.9	48.3	44.3	52.5	56.9	66.5	67.3	69.6	61.6
	1961	52.2	49.1	52.3	46.7	48.5	50.5	53.6	56.7	65.8	66.1	68.7	54.4
	Medium 1960	34.8	36.7	43.6	55.2	47.5	42.3	47.7	53.5	64.6	56.3	58.8	58.4
	1961	46.1	43.9	51.1	45.4	47.6	48.0	52.5	54.2	58.9	53.0	63.4	48.4
Winnipeg	Large 1960	39.3	37.4	42.4	51.8	47.8	46.7	48.6	50.2	59.3	60.6	61.9	56.8
	1961	49.0	43.2	47.7	45.9	45.6	46.9	51.6	57.8	58.4	59.3	61.5	49.1
	Medium 1960	35.4	33.3	39.8	49.7	46.2	45.2	46.9	48.6	57.8	54.6	56.5	53.8
	1961	45.7	41.4	45.9	44.0	43.8	45.4	50.6	54.8	52.8	55.0	56.3	44.1
Regina	Large 1960	38.6	35.0	45.1	48.3	44.1	44.3	48.4	51.6	61.3	60.1	61.8	57.7
	1961	49.8	41.1	44.0	43.5	43.1	45.3	53.4	62.5	61.0	63.3	64.8	54.9
	Medium 1960	34.4	31.1	42.6	46.0	41.1	41.5	45.2	49.4	58.9	55.8	54.8	51.0
	1961	44.7	37.8	41.2	42.1	—	—	—	—	—	—	58.0	48.2
Edmonton	Large 1960	37.3	35.1	45.3	49.3	45.4	44.8	49.4	55.3	62.3	59.8	56.6	52.7
	1961	48.1	41.2	43.9	43.9	42.1	48.4	53.9	58.9	60.1	61.8	61.6	53.8
	Medium 1960	33.5	32.5	44.8	49.1	44.3	44.0	49.3	55.9	63.3	57.8	52.1	49.3
	1961	46.9	40.5	43.3	43.5	42.2	48.2	53.0	59.7	58.3	60.0	58.2	50.8
Vancouver	Large 1960	45.6	46.1	48.1	50.5	52.1	51.9	48.1	52.3	55.9	57.5	56.8	56.6
	1961	54.6	49.9	48.7	50.1	48.3	49.1	52.9	59.3	56.2	57.1	57.1	59.6
	Medium 1960	41.5	41.1	45.6	49.2	49.9	49.8	46.8	47.2	49.8	52.2	50.9	51.5
	1961	52.9	46.8	46.4	47.3	46.2	46.8	48.7	54.8	49.8	51.2	50.8	54.6
Canada	Large 1960	41.9	41.2	47.4	56.1	50.0	46.8	52.1	56.7	65.3	66.2	68.0	62.1
	1961	53.5	49.4	52.2	49.3	49.1	51.0	55.1	59.4	65.4	65.9	68.1	56.7
	Medium 1960	36.2	36.0	44.3	52.6	46.2	42.5	46.4	51.7	60.6	56.0	56.7	55.1
	1961	46.2	43.1	48.3	44.5	44.9	45.9	50.4	49.1	56.0	53.4	59.5	47.9

Questions

AGRICULTURAL STABILIZATION BOARD LOSSES

Question No. 46—**Mr. Boulanger:**

What has been the total loss incurred by the agricultural stabilization board for the fiscal year 1960-61 as a result of its operations for each commodity covered by the act?

Answer by: **Mr. Charlton:** The total cost of operations of the agricultural stabilization board, by commodities, for the fiscal year 1960-1961 is as follows:

Milk for manufacturing	$11,432,769
Butter	2,441,994
Cheese	269,544
Dry skimmed milk	6,669
Eggs	2,095,528
Fowl	295
Hogs	29,243,738
Lambs	101,134
Wool	1,253,000
Raspberries	268,260
Sugar beets	2,715,765
Soybeans	867,194
Tomatoes	36,028
Sunflower seeds	44,377

IMPORTS AND EXPORTS OF AGRICULTURAL PRODUCTS

Question No. 47—**Mr. Boulanger:**

1. What is the total import of agricultural products, in value, on an annual basis, for the period of 1961 and 1962?

2. What is the total export of agricultural products, in value, on an annual basis, for the period of 1961 and 1962?

Answer by: **Mr. Morris:**

1. Value of imports of agricultural and vegetable products (except chemicals, fibres and wood):

1961 (January to September) $497,361,580
1962 not available

2. Value of exports of agricultural and vegetable products (except chemicals, fibres and wood):

1961 (January to September) $765,400,851
1962 not available

FOWL IMPORTS, 1960-61

Question No. 48—**Mr. Boulanger:**

1. What quantity of chicken broilers, fowl, turkeys and parts have been imported for the calendar years of 1960 and 1961?

2. How many permits have been issued for turkey broilers, turkey heavier weight, turkey parts, fowls and fowl parts, and chicken broilers, imported from United States during the calendar years of 1960 and 1961, and what quantity?

Answer by: **Mr. Morris:**

1. Available statistics on imports of chicken broilers, fowl, turkeys and parts during the calendar years 1960 and 1961 are as follows:

Class	Description	Unit of Qty.	Calendar Year 1960	January-June 1961	July-September 1961
2254	Poultry, n.o.p., and game; quails, partridges and squabs, dead or alive, n.o.p.	Lb.	1,350,344	523,666	*
2259	Chickens and fowl, dead or alive n.o.p.	Lb.	17,550,492	7,901,341	*
2003	Poultry, live n.o.p.	No.	*	*	150,197
2247	Chickens and fowl, eviscerated	Lb.	*	*	1,266,822
2249	Poultry, eviscerated n.o.p.	Lb.	*	*	342,541
2255	Chickens and fowl, dead n.o.p.	Lb.	*	*	502,614
2256	Poultry, dead n.o.p.	Lb.	*	*	nil
2260	Turkeys, dead or alive, n.o.p.	Lb.	4,682,777	2,951,889	†
2248	Turkeys, eviscerated	Lb.	†	†	853,130

*Classes 2254 and 2259 replaced by classes 2003, 2247, 2249, 2255 and 2256 from July 1, 1961.

†Class 2260 replaced by class 2248 (and part of class 2003) from July 1, 1961.

2. In 1960, 77 permits were issued for turkeys for a total quantity of 4,342,642 pounds and 22 permits for turkey parts for a total quantity of 225,439 pounds.

In 1961, 95 permits were issued for turkeys for a total quantity of 5,214,893 pounds. (These figures include one permit for 120,000 pounds of turkeys imported for ships' stores and not for domestic consumption). Twelve permits were issued for turkey parts for a total quantity of 66,800 pounds. In the issuing of import permits no distinction is made between turkey broilers and turkey heavier weight. Fowl was removed from import control on May 30, 1958. Chicken broilers were not under import control.

[Mr. Morris.]

DAIRY PRODUCTS IMPORTS, 1961

Question No. 49—**Mr. Boulanger:**

1. Has Canada imported dairy products during the year 1961?
2. If so, what quantity, and from what country?

Answer by: **Mr. Morris:**

1. Yes.

2. Available statistics on imports of dairy products during the year 1961 are as follows:

Class	Description	Country	Unit of Quantity	Jan.-Sept. Quantity
2280	Milk, skim, powdered	United States	lb.	9,368
		Total		9,368
2281	Milk and cream, fresh	United Kingdom	gal.	330
		Denmark		48,137
		United States		3,383
		Total		51,850
2282	Butter	United States	lb.	192
		Total		192
2284	Cheese	United Kingdom	lb.	94,776
		Austria		31,286
		Belgium & Luxembourg		3,635
		Denmark		2,187,870
		Finland		120,233
		France		463,120
		Germany W.		166,872
		Greece		12,123
		Italy		2,192,796
		Netherlands		1,372,648
		Norway		17,857
		Sweden		4,362
		Switzerland		1,565,562
		Poland		6,614
		Yugoslavia		3,287
		New Zealand		7,232
		Argentina		143,074
		United States		1,264,342
		Total		9,657,689
2286	Milk, whole, powdered	Switzerland	lb.	1,588
		United States		55,271
		Total		56,859
2287	Milk products, condensed, evaporated, dried or powdered, n.o.p.	Netherlands	lb.	5,768
		United States		3,704,014
		Total		3,709,782

Questions

CANADIAN NET FARM INCOME

Question No. 50—**Mr. Boulanger:**

What was the net farm income in Canada in current and constant dollars for each year from 1949 to 1961 inclusive?

Answer by: **Mr. Morris:**

Net Income of Farm Operators from Farming Operations

Current Dollars, Canada, 1949-1961

1949	1,415,787
1950	1,219,757
1951	1,936,990
1952	1,919,439
1953	1,644,382
1954	1,025,272
1955	1,289,964
1956	1,458,135
1957	1,058,268
1958	1,337,599
1959	1,206,325
1960	1,358,427
1961	(not available)

Note: Estimates of net farm income not available in constant dollars.

STORAGE STATISTICS, WHEAT, OATS AND BARLEY

Question No. 52—**Mr. Boulanger:**

What quantities of wheat, oats, and barley were stored in eastern Canada on December 31, 1961, for food requirements?

Answer by: **Mr. Morris:**

Stocks in Store, Eastern Elevators, January 3, 1962

	Wheat bu.	Oats bu.	Barley bu.
Western grain	87,088,383	6,497,030	11,385,291
Eastern grain	2,192,728	72,135	
U.S. grain	1,498,499	3,260,298	15,604
Total	90,779,610	9,829,463	11,400,895

Note: These data represent only stocks in store in visible or commercial positions with no allowance for stocks stored on farms. Quantities in "storage afloat" are also included. There is no available information as to quantities of these grains which will enter Canadian food channels.

PROVINCIAL AND REGIONAL COUNCILS, PRODUCTIVITY COUNCIL

Question No. 53—**Mr. Boulanger:**

1. How many provincial and regional councils or committees have been established with a view to co-operating in the work undertaken by the national productivity council?

2. In which provinces have such committees or councils been established?

Answer by: **Mr. Morris:**

1. Thirteen.

2. I.—Provincial councils established co-operating with the national productivity council.

(a) Atlantic provinces economic council.

(b) Newfoundland, Newfoundland research council.

(c) Nova Scotia, Nova Scotia productivity council.

(d) Prince Edward Island, resources development council.

(e) *New Brunswick, unnamed but in the formative stage.

(f) Quebec, Quebec economic and development council.

(g) Ontario, economic council.

(h) Manitoba, provincial productivity council of Manitoba.

(i) Saskatchewan, Saskatchewan productivity council.

(j) Alberta, Alberta productivity council.

(k) *British Columbia, unnamed but in the formative stage.

*Formative stage.

II. Local committees established within the provinces to co-operate with the national productivity council:

Saskatchewan—Regina, Saskatoon, Moose Jaw.

Alberta—Edmonton.

TIBETAN REFUGEES—REQUESTS FOR ASSISTANCE

Question No. 61—**Mr. Martin (Essex East):**

1. Has the Prime Minister or the Secretary of State for External Affairs received representations regarding the plight of Tibetan refugees in the frontier regions of northern India?

2. Has the Canadian government been requested to send food or any type of aid to assist these starving refugees?

3. From whom have representations been received?

4. What reply has the government made?

5. If the government has not already done so, will it accede to requests for aid for these starving refugees?

Answer by: **Mr. Green:**

1, 2, 3. The Prime Minister recently received a letter from Professor George Woodcock, a Canadian temporarily resident in South Asia, concerning the present situation of the Tibetan refugees. Professor Woodcock

asked the Prime Minister to consider whether the Canadian government could provide food for these refugees and air transport for its delivery to them.

4, 5. The Prime Minister replied that the Canadian government was deeply concerned both about the events which led to the flight of the Tibetan refugees and about the trials which the Tibetan people were still undergoing. The government would continue to do whatever it could to alleviate the plight of the Tibetan people by ensuring that world opinion was focused upon this grave problem. In the absence of a formal request from the country of first refuge, however, the United Nations high commissioner for refugees was unable to include the Tibetan refugees in his program. Since special international assistance for these refugees was apparently not being encouraged by the country of residence, the Canadian government would hesitate to recommend to parliament a special appropriation for this purpose.

CANADIAN CONTENT OF AUTOMOBILES AND ENGINES

Question No. 62—**Mr. Martin (Essex East):**

1. Has the Prime Minister or any member of the government received a request for an investigation into the Canadian content of automobiles and automobile engines manufactured in Canada?
2. Has the Prime Minister or any member of the government received a resolution requesting the government to take immediate steps to see that Canadian automobile manufacturers adhere to the regulation requiring 60 per cent Canadian content?
3. Has the government received representations requesting a restriction on the movement of automotive manufacturing equipment already installed in Canadian plants to any other country?
4. If so, from whom have such representations been received?
5. Did the Prime Minister reply personally to these representations and, if not, did any one reply on his behalf, and what was the nature of the reply?

Answer by: **Mr. Diefenbaker:**

1. Yes.
2. Yes.
3. Yes.
4. Local 444, united automobile workers, Windsor, Ontario.
5. (a) No. (b) Yes. (c) Acknowledgement of representations.

*C.M.H.C. LOANS, QUEBEC

Question No. 68—**Mr. Pigeon:**

1. How many mortgage loans have been made from 1957 to date by the Central Mortgage and Housing Corporation in the province of Quebec, and what is the total amount of such loans?
2. How many loans have been made in the county of Joliette-L'Assomption-Montcalm, and what is the total amount of such loans?

Mr. MacLean (Queens): Mr. Speaker, the answers to the two parts of this question are as follows:

Inquiries of the Ministry

(1) Direct loans made by Central Mortgage and Housing Corporation in the province of Quebec

January 1, 1957 — October 31, 1961

No. of loans	Amount
21,337	$283,451,000

(2) Direct loans made by Central Mortgage and Housing Corporation in the county of Joliette-L'Assomption-Montcalm, Quebec

January 1, 1957 — October 31, 1961

No. of loans	Amount
703	$7,722,000

QUESTION PASSED AS ORDER FOR RETURN

EXERCISE TOCSIN B

Question No. 35—**Mr. Pitman:**

1. In the recent Tocsin B exercise held in Canada, how many bombs were dropped in the simulated attack, and what was the total megatonage of these bombs?
2. How many bombs were of approximately (a) 1-5 megatons (b) 5-10 megatons (c) 10-20 megatons (d) 20-30 megatons (e) 30-40 megatons (f) 40-50 megatons (g) over 50 megatons?
3. What centres in Canada were supposedly hit by bombs?
4. What were the estimated casualties in each?
5. What was the extent of the simulated attack in terms of (a) ICBMs fired (b) ICBMs destroyed before reaching their targets (c) missiles fired from submarines (d) missiles fired from submarines destroyed before reaching their targets (e) bombers attacking (f) bombers destroyed?
6. What was the estimated effect in terms of immediate fall-out in Canada from bombs and missiles (a) landing in the United States of America (b) landing off target in Canada (because of our defences, etc.)?

EXTERNAL AFFAIRS

CUBA—REPORTED STATEMENT RESPECTING EFFECT OF CANADA'S TRADE

On the orders of the day:

Hon. Paul Martin (Essex East): I should like to direct a question to the Secretary of State for External Affairs based upon a reported statement by Mr. Arthur M. Schlesinger, special assistant to the President of the United States, to the effect that Canada's trade with Cuba hurts prospects of democratic reform in Latin America. Has the government any comment to make on this very serious indictment?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, as yet we do not have a full report concerning this statement. If it was made in the terms suggested, it is a most unusual and, I think, improper thing for an official of another country to do.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce regarding the subject referred to by the hon. member for Essex East. In view of the strong pressure

being exerted by the United States in favour of a trade ban against Cuba, I wonder whether the minister would inform the house as to Canada's policy with regard to trade with Cuba at this time.

Hon. George H. Hees (Minister of Trade and Commerce): I am sure the hon. member for Assiniboia was in the house—at least I hope so—when at the last session the Prime Minister advised the house on the policy in this regard, namely that we trade with Cuba in the same manner as with any other country with the exception of strategic goods, which we do not ship to that country.

INQUIRY AS TO EXTENSION OF TERRITORIAL WATERS

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): I wish to direct a question to the Secretary of State for External Affairs. In view of the urgency and the importance of the matter to our fishing industry, will the minister advise the house if and when the government intends taking the necessary action to see that Canada's fishing limits are extended from the present three mile limit to a twelve mile limit?

Hon. Howard C. Green (Secretary of State for External Affairs): Any such announcement would be made in the house in due course, Mr. Speaker.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to ask the minister a supplementary question. Can he say whether active negotiations are going on at the present time on this subject with any other countries?

Mr. Green: I think it would not be beneficial to answer that question at this time, Mr. Speaker.

Mr. Pickersgill: Beneficial to whom?

Mr. Green: To Canada. To whom does the hon. member suppose?

INQUIRY AS TO VISIT OF UNITED KINGDOM PRIME MINISTER

On the orders of the day:

Hon. Paul Martin (Essex East): I wish to direct a question to the Prime Minister. Is he in a position to confirm or deny the reported visit of the Prime Minister of the United Kingdom some time in April on the occasion of the Prime Minister's visit to New York? If so, is the Prime Minister in a position to advise the house in a general way of the purpose of this visit or of the discussions which he proposes to have with the British Prime Minister?

[Mr. Argue.]

Right Hon. J. G. Diefenbaker (Prime Minister): An invitation was extended to the Right Hon. Harold Macmillan to visit Canada either before or after his visit to the United States in the latter part of April. He has accepted the invitation. Naturally there is a great field of matters that might be discussed on an occasion such as that. No agenda has been agreed on or has even been discussed as yet. However, I could think of many matters of interest to Canada, the United Kingdom and the commonwealth which would be subjects of discussion when that visit takes place. Indeed, the meeting together of prime ministers in this way is always extremely beneficial.

CANADIAN NATIONAL RAILWAYS

LAKEHEAD—INCREASE IN CHARGES ON IRON ORE

On the orders of the day:

Mr. Hubert Badanai (Fort William): I wish to direct a question to the Prime Minister. Has he received a letter from the northwestern Ontario development association protesting against the increase of 20 per cent in Canadian National Railways freight and dock charges on iron ore shipped from Steep Rock to the lakehead? If so, I wonder if the Prime Minister would inform the house whether he is contemplating any action to correct the situation.

Right Hon. J. G. Diefenbaker (Prime Minister): I will take that question as notice, Mr. Speaker.

BRITISH COLUMBIA

INQUIRY AS TO FEDERAL APPROVAL OF PROVINCIAL STATUTE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Minister of Justice. Has the Attorney General of Canada informed the attorney general of British Columbia that the federal governor in council has officially approved the archaeological and historic sites protection act, B.C. statutes, 1960, chapter 2?

Hon. E. D. Fulton (Minister of Justice): The answer to the hon. member's question is no, Mr. Speaker; but perhaps it would be agreeable if I amplified the answer somewhat to this effect. Pursuant to the British North America Act, the statutes of British Columbia for the session in question were examined by me and were left to such operation as they may have. The lieutenant governor of British Columbia was so informed.

Mr. Herridge: I should like to ask a supplementary question. Can the minister assure

the house that this act did not represent any violation of the principles of the bill on human rights?

Mr. Fulton: I do not think I should be expected to answer that question without notice. My responsibility under the British North America Act relates to the examination to which I have referred. The advice given to the lieutenant governor of British Columbia was that which I have indicated.

Mr. Speaker: I agree that the question is not in accordance with the practice in that it asks for a legal opinion.

INDIAN AFFAIRS

LAKEHEAD—ALLEGED DEPARTMENTAL NEGLIGENCE

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to address a question to the Minister of Citizenship and Immigration. Is she considering having any investigation made into the rather serious charges by Indian chief Telford Adams about the condition of the Indians in the lakehead area and to the north, including the charge that they are being ignored by the Indian affairs branch?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Whenever we receive any such complaints, Mr. Speaker, we look into them. However, so far nothing has come to our department on this matter, although I noticed an article in the newspaper.

COLD LAKE, ALBERTA—REPORTED SHORTAGE OF CLOTHING

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Citizenship and Immigration; I hope notice of it reached her in sufficient time. Can the minister inform the house of the situation at the Cold Lake Indian reserve in Alberta with respect to reports from that area that people there are suffering from a shortage of clothing and other necessities?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): The hon. member refers to reports from that area, Mr. Speaker. We have no such reports in the department. However, we have telegraphed to the resident superintendent asking him to report at once. If the hon. member could let us have the source of his information, it might help us to track the matter down more expeditiously.

COMBINES

VANCOUVER—ALLEGED VIOLATIONS BY DEPARTMENT STORES

On the orders of the day:

Mr. Frank Howard (Skeena): I wish to direct a question to the Minister of Justice. Can the minister inform the house if the allegations that Woodward Department Stores Limited violated the Combines Investigation Act in its relations with the firm of Hamilton Harvey, both firms in Vancouver, is the reason for officials of Woodwards being called before the combines investigation branch officers?

Hon. E. D. Fulton (Minister of Justice): I think I shall be obliged to leave the hon. gentleman to draw his own conclusions, Mr. Speaker.

HOUSING

N. H. A.—REQUEST FOR FINANCING OF EXISTING HOMES

On the orders of the day:

Mr. J. R. Garland (Nipissing): In the absence of the Minister of Public Works I should like to address a question to the acting minister. Has the government received from the house building industry any representations for National Housing Act financing of existing homes. If so, has the government reached any decision on this matter?

Hon. Howard C. Green (Acting Minister of Public Works): We will take this question as notice, Mr. Speaker.

(Translation):

HARBOURS

MONTREAL—DISCUSSIONS RESPECTING AMUSEMENT PIER

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, I should like to direct a question to the Minister of Transport. Could the minister tell the house if representations have been made to him by the city of Montreal as regards the development, along the Montreal waterfront, of public recreation grounds? If so, what stage have the talks reached?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the last time the mayor and the chairman of the executive council of Montreal came to Ottawa, I had the opportunity of discussing this problem with them. It was agreed that a resolution in proper

form would be sent to me. For my part, I was to ask the officials of the national harbours board to examine the question. That is where the situation stands at the moment. *(Text)*:

NATIONAL DEFENCE

REQUEST FOR GOVERNMENT POLICY RESPECTING NUCLEAR ARMS

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Secretary of State for External Affairs if, as a result of the report that the three power nuclear test discussions in Geneva have concluded or are being terminated, this fact will cause the government of Canada to state unequivocally its policy with regard to the possession of nuclear arms in Canada.

Mr. Speaker: I think I have already disallowed questions relating to the government's policy on this important matter. It is obviously a matter of policy, and I think it is not to be expected that it will be dealt with by an oral question on the orders of the day.

Mr. Martin (Essex East): I did not ask what the policy is, Mr. Speaker; I asked whether this fact would cause the government unequivocally to state its policy with regard to the possession of nuclear arms in Canada. There is a rather subtle and extremely important distinction.

Mr. Speaker: The distinction is too subtle for the Chair.

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Will the minister say if it is the policy of the Canadian government to equip Canada's armed forces with unarmed missiles?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, I think the question provides its own answer and is not worthy of a reply from me.

Mr. Hellyer: A supplementary question. I am not asking for a statement of government policy but merely for clarification of existing policy.

Mr. Speaker: The hon. member for Leeds.

ROYAL CANADIAN NAVY

OFFER OF TRAINING SHIP "BOUNTY" AS GIFT

On the orders of the day:

Mr. John R. Matheson (Leeds): I should like to direct a question to the Minister of National Defence. Is the government giving serious consideration to Metro-Goldwyn-Mayer's handsome offer of the *Bounty* as a training ship for the Royal Canadian Navy?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, this offer of the *Bounty* has been looked into by the navy and the implications, financial and otherwise, of accepting the offer are now under consideration.

UNITED NATIONS

CONGO—REQUEST FOR TEAM OF CANADIAN ARMY OFFICERS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of National Defence. In view of the Canadian Press report in Saturday's newspapers that the United Nations has requested Canada to send a small team of army officers, presumably French speaking, to the Congo to help to train the central government's army, can the minister assure the house that this request of the United Nations will be met?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, we did receive an inquiry from the United Nations with respect to whether we could supply some 15 French speaking officers, one lieutenant colonel and the bulk of the remainder majors, for training purposes for the Congolese army.

We have been looking into our ability to meet this request. In view of the limited numbers of French speaking officers in the Canadian armed forces, the fact that we already have some 30-odd officers in the Congo at the present time and a considerable number of others in such places as Indo-China and other parts of the world, the fact that these officers would have to be rotated every six months in conformity with our general policy respecting people in such service and the fact that the commitment would continue for several years and would involve a very large number of officers, it is extremely doubtful that we would have the French speaking officers to meet the commitment.

Mr. Argue: The answer is no, I take it. The minister gave a long answer without a conclusion.

Hon. Lionel Chevrier (Laurier): I should like to ask a supplementary question. Having regard to the answer that the minister has just given, may I ask him what he or his department is doing to increase the number of French speaking officers since there is not the number required?

Mr. Harkness: We have been making considerable efforts, as the hon. member knows, to increase the number of French speaking officers in the army, navy and air force. The military college at St. Jean was set up for

that specific purpose, as the hon. member is also aware, and the number of French speaking cadets entering that college and French speaking officers from other sources who are entering the armed services is increasing.

GRAIN

WHEAT—STATEMENT ON EMPTY ELEVATOR SPACE AT LAKEHEAD

On the orders of the day:

Mr. W. H. Jorgenson (Parliamentary Secretary to the Minister of Agriculture): Mr. Speaker, on Thursday last the hon. member for Port Arthur inquired about grain stocks at the terminal elevators at the lakehead. I should like to give him the assurance that it is expected these stocks will be replenished by the opening of navigation and they are being continuously replenished by shipments from country elevators. The reason, of course, why stocks are down from last year is the unusually heavy shipments out of the lakehead last fall.

AGRICULTURE

EFFORTS BY UNITED STATES FARMERS TO BENEFIT FROM CANADIAN LAW

On the orders of the day:

Mr. W. H. Jorgenson (Parliamentary Secretary to the Minister of Agriculture): Mr. Speaker, last Friday the hon. member for Drummond-Arthabaska asked the following question:

> Is it possible that American farmers, who get subsidies to reduce their grain acreage, may be doing some farming in Canada to take advantage of Canadian legislation?

It is not quite clear what the hon. member means by this question but if he is referring to the Prairie Farm Assistance Act and the western grain producers' acreage payments, I can assure him that only those producers ordinarily or permanently resident in Canada are eligible for assistance.

SUPPLY

The house in committee of supply, Mr. Chown in the chair.

DEPARTMENT OF AGRICULTURE

Production and marketing branch—

611. Payments to western grain producers to be distributed on the following basis, namely, $1 per cultivated acre up to a maximum of 200 acres per farm in accordance with regulations of the governor in council, $42,000,000.

Mr. Korchinski: Mr. Chairman, I welcome this opportunity to participate in the debate on this particular estimate which will provide $1 an acre to western farmers. Those of us who are familiar with the situation in the west know that the farmers had a very short crop. We know that many farmers have not been able to deliver beyond their initial quota. We know that many farmers, having reached the three bushel quota, did not have any more grain or, if they did, they retained it for spring. We also know that there were perhaps a small number of farmers who had a little surplus from other years, but this has rapidly dwindled.

I welcome the opportunity to support this item because it will provide something of a two price system. For years many western farmers have been clamouring for this type of measure and for years the Liberal government at Ottawa refused it. I also welcome the opportunity to support this measure because it will assist those who have not been able to qualify for payments under the Prairie Farm Assistance Act for various reasons.

I have one objection, however, in that the measure does not cover landlords. On March 17, 1961, while participating in a debate on agriculture, as found in volume 3 of *Hansard* for that year at page 3111, I outlined what I thought was the solution to this problem, and if the government will take note of it I think we will have that problem solved. With that one reservation I am in complete support of this measure.

No doubt the opposition will holler "peanuts." The circus barker from Assiniboia has referred to this and similar measures as "peanuts" on many occasions. The same cry was picked up by the provincial minister of agriculture. As found in the *Star-Phoenix* of December 14 last, Mr. Nollet had this to say after the acreage payments had been announced:

> Saskatchewan agriculture minister I. C. Nollet said that "every little bit helps" but described the payments as "peanuts" and said farmers were expecting more than received under similar payments previously in light of the "great crop losses" this year.

This is the minister of agriculture who now calls himself C.C.F.-N.D.P. This is the same minister of agriculture who, when the crop was snowed under in 1959 and there was a clamour for $5 per acre, took up that clamour too. When the federal government said, "All right, if you will pay half", he said, "Oh, no". He said, "Cut it down to $3". In addition he put forward some sort of magic sliding scale under which many farmers received only 20 cents an acre.

This is the same minister who cries "peanuts" today and says that a greater amount should be provided. This is the same C.C.F.-N.D.P. minister of agriculture of our great province of Saskatchewan who, when the federal government introduced crop insurance,

said "No, it will break the province". That cry went up all over the west, and the hon. member for Assiniboia and the C.C.F.-N.D.P., or whatever they call themselves now, took up that same cry; "it will break the province". At the same time they introduced a medical scheme which is going to cost somewhere in the neighbourhood of $25 million. This is not supposed to break the province because it is supposed to boost Douglas. This is an acreage scheme to repay the farmer for crop losses, whereas the medical scheme was proposed for their own political gain. Why is there such concern that it will break the province? Surely there must be some way, such as reinsurance, to work out to details of this scheme. Why do they show such concern for the state and none for the individual farmer? Since when has the state become more important than the individual? Apparently in the eyes of the socialists the state must be preserved but the individual can suffer.

The hon. member for Assiniboia referred to the program as peanuts and said it would amount to nothing.

Mr. Argue: You are wrong again.

Mr. Korchinski: I can tell the hon. member what it will do for my constituency. I have checked and I find I have over 6,000 permit books in my constituency. If we take 1960 as an average, this would mean about $186 per book or something like $35,000 for every community. Now, if you take this $35,000 as the average and apply it against the assessment of my own rural municipality of Invermay, assuming an average mill rate of 60 mills, we find that this $35,000 will go a long way toward paying the taxes of the municipality. There are two communities in this municipality. At $35,000 to each community it represents almost all the taxes paid by the taxpayers. I say that this is not peanuts.

The Liberal spokesman, the hon. member for Essex East, had a lot to say about this program. I should like to quote, for example, what he said as recorded on page 263 of *Hansard* for January 26, 1962:

> I repeat that the Prime Minister and his supporters cannot claim that by this particular program they are satisfying the promises which were made to hundreds of Canadian western farmers.
>
> Mr. Harkness: We are satisfying a very large number of farmers.
>
> Mr. Martin (Essex East): I sincerely hope that is the case but, as I have stated, this provision does not meet the objectives of the government's declared farm policy as announced by the Prime Minister. It does not meet the assurances given to a thousand western farmers when they descended on Ottawa two years ago to demand that this government implement its agriculture policy.

[Mr. Korchinski.]

This speech by the Liberal spokesman reminds me of a little jingle. What he says does not mean anything or, in the words of the jingle, "I planted corn in early spring but it didn't mean a dog-gone thing; what do you think came up in the fall? The crows came up and ate them all."

I have a list of things here to illustrate how wrong the hon. member for Essex East is. Somewhere along the line the hon. member for Assiniboia intervened and said, "What about the one year you did not pay?" I say to the hon. member for Assiniboia, what was he doing all the years he was in the house?

Mr. Argue: Mr. Chairman, on a point of order—

Mr. Korchinski: He was a C.C.F. member at the time—

Mr. Argue: On a point of order, Mr. Chairman; a question has been asked as to what I was doing. The answer is that I have been prodding, pushing and pleading with the government to give at least a dollar an acre every year.

Mr. Korchinski: Very well; the hon. member says he has been pushing and prodding and wailing for all these years. I point out, however, that in 1945 there were 28 C.C.F. members in the house; in 1949 there were 13; in 1953, 23; in 1957, 25 and in 1958 after the large group of Conservatives were elected from the west, there were only eight C.C.F. members; but we got our acreage payments.

Mr. Argue: Yes, but I have always been here.

Mr. Korchinski: It would appear that the effectiveness of the farm support program is in reverse proportion to the number of socialists in the house.

Mr. Argue: The hon. member just wants a one party dictatorship.

Mr. Korchinski: I come back to the hon. member for Essex East who at one time sat as a minister on the Liberal front benches. I find that since the introduction of the price stabilization bill and up to March 31, 1961, we have paid out $126 million in support of the farmers across Canada, not for one particular area but for all across Canada. As a matter of fact, the price stabilization measure has been much more effective in the east than in the west, but we are not complaining about that. Under the Liberal regime from 1946 to 1958 there was spent about $100 million. However, about $70 million of that was spent at a time when foot-and-mouth disease was prevalent in the west. In the past few years we have spent something like $126 million, while in

12 years the Liberals spent a grand total of $100 million. However, if it had not been for the catastrophe of foot-and-mouth disease they would have spent only $30 million.

Where was the hon. member for Essex East when the farmers were asking for cash advances?

Mr. Martin (Essex East): I was working hard for the people of Canada.

Mr. Korchinski: Where was he when they were asking for crop insurance? Where was he, as a member of the opposition, when we introduced the amendments to the Prairie Farm Assistance Act so that 15 per cent more farmers could benefit? Where was he when the farmers, over the years, asked for the South Saskatchewan dam? It only took a very short time for the Conservatives to provide this dam which will be beneficial to the farmers of Saskatchewan and to the west in general.

Mr. Martin (Essex East): I rise on a point of order. I would simply recall, Mr. Chairman, to your mind that when the hon. member for Drummond-Arthabaska spoke the other day and sought to deal with agricultural problems in general he was arrested in his steps by the intervention of the Acting Minister of Agriculture. I am sure if that is to be the ruling, then it ought to apply to members on the government side as well as to those on this side.

The Deputy Chairman: I am sorry, but if I may have the floor for just a minute I would say that my ears were beginning to twinge a bit when I heard a reference to the South Saskatchewan dam. This item has no direct relevance to the vote under discussion. I would ask the hon. member to revert to the estimate under study by the committee and stay within its boundaries.

Mr. Korchinski: If I may speak to that point of order, Mr. Chairman, I would say that at page 263 of *Hansard* for January 26, the hon. member for Essex East said that the Prime Minister and his supporters could not claim this particular program was satisfying the promises which were made to hundreds of Canadian western farmers. I am merely replying by showing that we are not claiming this one particular scheme satisfies all those promises. It is in addition to all the other things we have done. I am merely pointing out some of those things in order to refresh the memory of the hon. member for Essex East. If I may rapidly go through some of the other measures—

Mr. Martin (Essex East): You may not, if the ruling is to stand. The ruling was made against the hon. member for Drummond-Arthabaska and strictly enforced against me and others who spoke, as a result of the intervention of the Acting Minister of Agriculture. Now, the hon. gentleman is not in a privileged position.

Mr. Smallwood: If I may speak to this point of order, I would say that at five o'clock on Friday night the hon. member for Essex East was engaged in filibustering this vote. He spoke of nothing but what his leader was going to say, and he broke the rule himself.

Mr. Martin (Essex East): That does not justify your breaking the rule.

Mr. Korchinski: I recall that one of the things the hon. member for Essex East spoke about was the European common market. If he can talk about the European common market, television broadcasts and so on, I should be allowed to review some of the things we have done. I want to point out that we had extended P.F.R.A. policy to include many areas that had never been covered previously.

Mr. Martin (Essex East): We might have a clear understanding. When the Chair gives a ruling it must apply to all members. When the hon. member for Drummond-Arthabaska initiated this discussion last week he was stopped in his steps by the Acting Minister of Agriculture, who was upheld by the Deputy Speaker, then acting as chairman. There was much discussion on the point and we were overwhelmingly resisted in the position we took. Now the hon. gentleman opposite is engaging in the kind of speech for which the hon. member for Drummond-Arthabaska was taken to task. I have no objection to his continuing his speech, but only on the understanding that we on this side of the house are given the opportunity of carefully examining the government's agricultural policy which is so replete with inaccuracies and weaknesses.

The Deputy Chairman: Before allowing any further debate I should like to say that the ruling given by the chairman of the committee was quite correct, and I made subsequent reference to it in holding members of the committee to the item under discussion. Therefore it would not be fair if the hon. member continued his present rather broad discussion on agriculture. I would ask him to come back to a discourse on the item under consideration, which is the provision of acreage payments to farmers in western Canada.

Mr. Korchinski: In addition to the money that will be recovered by means of these acreage payments there will be other ways by which farmers can get money. One of these

is due to the fact that for the first time in many years we increased the price of wheat to $1.90, something the opposition would have liked to do, but instead they lost the market. This crop acreage will provide some assistance to those farmers who have a lack of grain. Even though we increased our sales of wheat, farmers without grain can now have some means of support for themselves and their families.

Many farmers could not have obtained assistance from the federal government when we increased the payment for tubercular cattle from $100 to $150 for purebreds and from $40 to $70 for other classes. Farmers need finances at the moment. They have been hard hit by drought. Last fall they were helped by providing fodder and freight assistance and were also helped on that occasion by a well drilling program. In the past they were assisted when crops were snowed under, and at that time we introduced a policy which provided them a measure of relief. Now this year, because of the unique situation in western Canada, they need cash. They have taken full advantage of the increased farm improvement loans, which were raised from $4,000 to $7,500. Some of them have also taken advantage of the improvement in farm credit facilities.

Mr. Martin (Essex East): Order.

The Deputy Chairman: I am afraid the hon. member is again straying from the vote under consideration, thereby making it difficult for the Chair and other hon. members who are to follow. I would ask him to stay with the point under discussion, or take his seat.

Mr. Korchinski: I might point out that in the past we have had similar situations. As a farmer I have met many hazards, with no crop insurance. At that time there was a Liberal government in Ottawa and we asked them for help. I can tell you of some other things which happened to me. In 1950 we had frost; in 1951 we were snowed under; in 1953 we were flooded, and in 1954 we had rust.

Mr. Martin (Essex East): On a point of order, the hon. gentleman is ignoring your ruling and he ought to be called to order.

Mr. Lambert: "Physician, heal thyself." You are the worst offender in the house.

Mr. Muir (Lisgar): Speaking to the point of order, I should like to quote from *Hansard* of January 26, page 270, when during a discussion on a similar point of order with the hon. gentleman from Essex East I said:

> Mr. Chairman, we are discussing an item in the estimates. I do not believe that, in the speech the hon. gentleman is making, there is any reference whatever to the business at hand.
>
> [Mr. Korchinski.]

The hon. member was then allowed to continue for another page and a half, and nothing he said had any relevance to the business at hand.

Mr. Martin (Essex East): Read the following page and a half.

Mr. Argue: May I say a word on this point of order. I think it is out of order to go back and discuss the situation in 1950, although what the hon. member said is right. The farmers needed more money, but when the hon. member is talking about the very great need of farmers in western Canada to have supplementary income he should relate his remarks periodically to the item under discussion. If he did so I think he would be in order. All he is doing now is showing that the farmers in his riding, in spite of everything he says, are in a very difficult situation and need some help. That, I think, is relevant to the discussion.

Mr. Korchinski: I should like to thank the hon. member for Assiniboia, but without these interruptions I might eventually have been able to relate my remarks to the item in question. All down the years we have had similar situations. We have come to governments for assistance, but only the present government has provided that assistance.

I should like to quote an article by Peter Stursberg in *Saturday Night* of February 3, 1962, dealing with a time when the late C. D. Howe was a minister of the crown. He makes reference to a meeting in Manitoba at which the late Mr. Howe told a rancher that he "thought he was eating well under the Liberal regime." These are the answers the Liberals have. All I am saying is that for many years we have had similar conditions, and for many years were deprived of any assistance.

I take pleasure in supporting this item because it seems to me what the member for Essex East and the member for Assiniboia have wanted, was a measure which would provide for deficiency payments. At the time of the request I made a survey of my own constituency as to which plan would be better. Some 95 per cent of the replies I got were in favour of acreage payments. At one meeting I attended, where there were 700 farmers present, I invited them to look at my file. Nobody did so because they knew the replies I got were sent by people who were in favour of acreage payments, by small farmers who needed assistance. I can recall another meeting at Invermay which I was invited to attend, but at which I had to apologize for being late as I had a delegation who needed P.F.A.A. payments. There were a group of farmers from outside the area and I invited them to listen to the meeting which

was pleading for deficiency payments. I pointed out that these were farmers who would have liked to qualify under P.F.A.A., who were certainly in need of some assistance, but who would not have benefited under a deficiency payment scheme.

For the few reasons I have indicated I take great pleasure in supporting this item, because it is certainly not peanuts but will be a great deal of assistance to my constituency.

Mr. Michaud: Mr. Chairman, I wish to make a few observations on the item now before this committee. At the outset let me assure the committee that I give my unreserved support to the amounts requested by the government for the assistance of western farmers. As has already been stated in the course of this debate, what is good for western farmers is also good for the whole farming population of the country. What is good for the agricultural industry of the country is good for the economy of the country as a whole.

Speaking on the address in reply to the speech from the throne the other day the Prime Minister described in ringing terms the general economy of the farming industry, yet we are faced today with a measure aimed to bringing urgent relief to the largest segment of the agricultural industry of the country, namely the wheat industry. Between these two opposing views one has to make a decision. Is agriculture really on a sound economic basis, as indicated by the Prime Minister, or does agriculture in a general way need to be assisted? For my part I have no hesitation in deciding that farmers are not now enjoying prosperous times and need such assistance as is provided by this measure. However, I feel I must emphasize before this committee that the western farmers are not alone in facing financial difficulties at the present time. What is true of the western farmers is in greater measure true of farmers in the eastern regions.

Let me cite two examples. We are all aware that the dairy industry, which is the main source of income for a great number of eastern farmers particularly, is now beset with very serious circumstances. The Canadian dairy association only a short time ago submitted to the government a measure aimed at bringing relief to this situation. All those concerned with this matter are now aware of the government's refusal to accept those recommendations.

Second, the potato industry is also of great concern to eastern farmers and particularly to New Brunswick and Prince Edward Island farmers. These farmers have to sell their 1961 crop at the present time at a price under the cost of production. Here again, where is the action of the price stabilization board about which the present government and the government supporters are so fond of speaking on every occasion? Has the Prime Minister forgotten his statement on this matter at Summerside, Prince Edward Island, during the 1958 election?

Mr. Harkness: Is the hon. member aware that there is a starch diversion program in operation to help the potato industry?

Mr. Michaud: Yes, I am aware of that, and I am aware that the price they are receiving under that system is yielding the farmers less than a cent a pound for their potatoes.

Mr. Pickersgill: Very different from what was promised them.

Mr. Michaud: Yes. That is why I referred to the stabilization price support board.

It was my privilege to visit Prince Edward Island last November. I can assure the Prime Minister that the words to which I have just referred are very vivid indeed in the minds of the potato producers of that province. Generally speaking it is reported that the net farm income in the maritime provinces during the year 1961 went down 5.8 per cent.

If I may be permitted to relate this situation to the general economic condition of the area, we say that it contributes in no small measure to the acute unemployment situation now existing in the maritime provinces. Faced by such dire circumstances the small farmers particularly are leaving their farms in alarming numbers to seek employment on the labour market, thus enlarging the labour force which is already faced with a lack of employment opportunities. Grave agricultural problems face eastern and maritime farmers at the present time.

The Deputy Chairman: Order. I cannot allow the hon. gentleman to continue, as he has almost from the beginning, on subjects that are completely unrelated to the matter of acreage payments to the farmers of western Canada. I would be doing a disservice to his colleague from Drummond-Arthabaska if I did permit him to continue, and to other members of the committee who wish to speak on this subject and hold narrowly to the point that is up for debate. Accordingly I would ask the hon. gentleman to—

Mr. Pickersgill: Mr. Chairman, before you make a ruling on the basis of what the hon. member has said, perhaps I may be permitted to say a word. We have just listened to a speech in which we had a long debate on politics in the province of Saskatchewan, which did not seem to me very directly related to the matter before the committee.

Surely if the hon. members on the other side of the chamber are able to make these speeches about provincial politics, the hon. member who is seeking equal justice for all farmers in the east and the west should be allowed to continue. After all, what we are being asked to do here affects the taxpayers all over Canada, who are being asked to meet a distress situation, which we are very glad indeed to meet.

An hon. Member: Where is the point of order?

Mr. Pickersgill: It is surely reasonable for an hon. gentleman who wishes to support this program to say that in supporting it he thinks his constituents should be treated with the same kind of justice. That, as I understand it, is what my hon. friend is seeking to do.

The Deputy Chairman: I have no objection to any hon. member by analogy relating a problem of one area of the country to a similar problem in another area of the country which is presently under discussion, but I do not think it would be fair to say I did not rule the previous speaker out of order. I did, on several occasions.

Mr. Pickersgill: I was out of the chamber for a little while.

The Deputy Chairman: I probably did not do it in a concrete way but by interrupting his contribution to this debate. I am fearful that we could be on the subject of agriculture from now until 1963 if we do not keep fairly narrowly to the point. I would ask the co-operation of the hon. member, because I do not wish to limit his contribution in any way if I can possibly avoid doing so.

Mr. Michaud: Thank you for your guidance, Mr. Chairman.

Mr. Harkness: You put the chairman in a bad position by your remarks on Friday.

Mr. Martin (Essex East): You are the one who put everybody in a bad position. You are getting the government in wrong all the time.

Mr. Harkness: You are completely wrong.

An hon. Member: You were ruled out of order four times.

Mr. Michaud: Mr. Chairman, I was just pointing out these few facts in support of my earlier statement that if western farmers need assistance in their present plight, so do eastern farmers. I hope the government will look upon this situation with the same measure and proportion of fairness when it comes to the conditions existing in the agricultural field in eastern Canada as it does when it deals with the conditions facing western farmers.

In making these submissions I feel I am not alone. I feel I am also expressing the views of eastern farmer groups and farm organizations which on numerous occasions have expressed the views I have just expressed. Quite understandably, all western members who have spoken on this matter have done so with obvious satisfaction. Let the same opportunities for content be granted to eastern farmers' representatives in this committee by the future action of the present government.

(Translation):

Mr. Dorion: Mr. Chairman, it will be agreed that as member for an exclusively rural district, it is fitting that I should take part in such a debate to express certain views brought to mind by the item under discussion.

Wheat, as everyone knows, not only in the west but throughout the whole of Canada, is the basis of our agricultural economy, and both the western and the eastern farmers are entitled to a fair and square treatment.

When things go well for the wheat farmers, this is reflected in all provinces and particularly in Ontario and Quebec, where the farmers get their supplies of farm equipment, building materials, hardware and whatever they need for their farm operations. The prosperity of wheat producers is therefore an important factor for the development and success of the Canadian industry as a whole.

At this point, may I remark that in a discussion of this nature, anything liable to rouse the east against the west should, I think, be avoided as much as possible, because nothing would be more biased or unfair than such a course of action.

The other day, and again just now, the hon. member who preceded me seems to have slipped into that failing. The other day, as I said, the hon. member for Drummond-Arthabaska (Mr. Boulanger), spoke in favour of payments to western wheat producers whose crops were seriously damaged by the drought, but, at the same time, he wondered why the eastern provinces should not benefit in the same way when disaster strikes. He gave us as an instance, the hurricane which destroyed buildings and damaged crops last year, in his riding and in some neighbouring districts.

What the hon. member has failed to mention is that when such a disaster occurs,

the provincial government is supposed to carry out a survey of the damage and get in touch with the authorities of the Department of Agriculture. Of course, that depends on whether or not the provincial government itself is willing to ask for help of the federal government.

It seems that in the case to which the hon. member was referring last Friday that procedure was not followed. I presume that if such a course of action had been taken, the authorities of the Department of Agriculture would have been pleased to co-operate with the Quebec provincial authorities as they gladly co-operate with the various governments of the country.

Mr. Martin (Essex East): There were requests.

Mr. Dorion: What is the meaning of this policy of assistance for western Canada which provides for a payment of approximately $42 million to help our western farmers who have lost 50 per cent of their crop through drought last year?

The policy of assistance for western Canada under discussion at the present time, that is the payment of some $42 million to help our western farmers who have lost approximately 50 per cent of their crop through drought last year, has been asked for by the various farmers' associations of western Canada, the farmers' union in particular, and it was supported by almost all the other organizations of farmers in the west. Of course, those requests were supported, if not officially at least informally, by the provinces and in particular by Saskatchewan. It seems to me that it is a principle which is quite fair when co-operation between the different levels of government is really sought.

That is how this matter came before the federal government and that is how the producers, in whatever part of the country, should go about it when they seek to benefit from federal legislation.

Eastern provinces also benefit from the assistance given to western farmers, and this is too easily forgotten. Certain sectors of the Canadian economy are examined separately and then, because the over-all picture is overlooked, one gets the impression that one particular region is more favoured than another.

In 1939, an important eastern Canada agricultural conference was held at the Windsor hotel in Montreal.

On that occasion, Mr. Chagnon, who is now assistant deputy minister of agriculture, gave a talk which caused quite a stir and following which a brief was submitted to Mr. Gardiner, who was then minister of agriculture. I had the opportunity of reading most of that document which resulted in the implementation of a national policy to encourage the economical distribution of western grain in the east, in order to develop breeding policies for the benefit of eastern farmers.

In my opinion, that policy was excellent. The present government has improved it in order to meet the needs of the eastern areas.

This government has maintained and promoted that policy which dates back to 1942. The subsidy rates were adjusted about two years ago, and that was all to the advantage of the eastern farmers. For example, in the Lake St. John and Chicoutimi areas, these transport subsidies were recently increased by $2 a ton.

On that point, I should like to give credit to the hon. member for Lapointe (Mr. Brassard) for his fair mindedness. On January 22, he stated:

> I should now like to deal with a problem affecting my section of the country, since it has to do with agriculture. We have had a problem, which I submitted to the Minister of Agriculture (Mr. Hamilton)—

(Text):

Mr. Pickersgill: Mr. Chairman, I wonder whether I could ask the hon. gentleman what he is citing?

Mr. Dorion: Mr. Chairman, I am quoting from *Hansard* at page 2236.

Mr. Pickersgill: In which debate?

Mr. Dorion: The debate on the speech from the throne.

Mr. Pickersgill: Well, Mr. Chairman, since you are enforcing the rules impartially I am sure the Secretary of State will wish to be reminded that it is a rule of the house that you cannot quote from another debate in the same session.

(Translation):

An hon. Member: Are you afraid of the speech delivered by the hon. member for Lapointe?

Mr. Fortin: There is one sincere hon. member on your side. Let him speak.

Mr. Pickersgill: That is not the question.

(Text):

The Deputy Chairman: I was about to rise when the hon. member for Bonavista-Twillingate took the floor to caution the minister with respect to the old problem of relevancy and to ask him to hold closely, as other hon. members have endeavoured to do, to a discussion of the acreage payments in western Canada.

(Translation):

Mr. Dorion: Mr. Chairman, I believe that in all logic we are perfectly entitled to point out what benefits we derive from assistance

provided to western farmers, because in Quebec and the other provinces the grain we import is produced in the west. It is precisely for that reason that the hon. member for Lapointe paid tribute to the federal government for having increased the subsidies granted to the farmers for the transportation of their grain from west to east, into the lake St. John district and the Chicoutimi area.

The present government is aware of the fact that eastern farmers need feed grain at competitive and reasonable prices in order to maintain their livestock production. Farmers in Ontario, Quebec and the maritimes in particular can thus adapt their crops on their average size farms to make the best of weather conditions.

We have in the east climate and soil conditions which are suited to the production of grass and hay, but much less suited to grain crops. Our farmers can then concentrate on grass and, taking advantage of grain sold at reasonable prices because transportation is no longer a cost increase factor they can now raise livestock at a reasonable cost. Thus it is that the province of Quebec has been able to build up its hog industry to a point where, in some years, it has produced more than a million head. The maritimes have also increased their hog production considerably and have achieved a very high standard of quality.

(Text):

The Deputy Chairman: Order. Again I am finding that the minister is creeping away from the topic under consideration in this item of the estimates. I must ask him to come back to that rather narrow subject or he will have to take his seat.

(Translation):

Mr. Dorion: Mr. Chairman, I am trying as much as possible to abide by your ruling. What I want to emphasize—it seems logical to me—is that it is our duty to help wheat growers, western producers, because the prosperity of the agricultural industry in Ontario, Quebec and the maritimes depends on their production and their interprovincial trade.

Mr. Martin (Essex East): We all agree on that principle.

Mr. Dorion: It is precisely that principle that I remind the house, without giving any details, that those subsidies are proportionate to transportation costs, the latter depending, of course, on distance.

[Mr. Dorion.]

I have here some figures which might be of interest. Those payments represent about $5 per ton in Ontario, $8 per ton in Quebec, not including the advantage for the Chicoutimi area which results from the intervention of the Minister of Agriculture. The payments amount to over $14 per ton in the maritimes.

Subsidies paid on the shipping of western grain to the east since the establishment of that policy, that is in 1942, total about $352 million, a sizeable amount for that national policy which has been beneficial to both eastern and western Canada these past 20 years. From 1941 to 1959, 18,235,000 tons of western grain were shipped to the province of Quebec thanks to those subsidies. Together with the Agricultural Stabilization Act and the orders issued under that act, those subsidies have given excellent results.

I should have liked to give a few examples, but I would not want to be accused of ignoring in any way your ruling.

Mr. Martin (Essex East): You have been most successful.

Mr. Dorion: Hardly so far.

Mr. Flynn: What a model.

Mr. Dorion: I could give one example in the province of Quebec—it is a particular case and concerns the riding of Bellechasse. We bring in grain from the west, and this movement of grain and related subsidies have been most helpful to farmers. As I said earlier, if we add to that the conditions under which the Agricultural Stabilization Act is now being administered and the orders issued thereunder—

Mr. Martin (Essex East): Those subsidies are the work of the St. Laurent government, let us not forget it.

Mr. Dorion: I do not deny that those subsidies were inaugurated in 1942, and I do not think the hon. member will hold it against us if we try to improve on something worth-while which was done by the previous government. Indeed, that is what the present government has done, in my opinion.

Mr. Pigeon: Few good things were inherited from the former government.

Mr. Dorion: We believe this item will contribute to the greater welfare, not only of the west, but of Canada as a whole.

For quite some time it was feared that there would be overproduction of wheat. For a number of years, it was a very serious problem. I think the Minister of Agriculture dealt with this problem in such a way that, today, we are not only rid of overproduction, but of those surplus stocks, which ultimately resulted in distress for the western farmer himself. Our spectacular sales to Poland, Czechoslovakia and China, have had an extremely favourable result while reducing our grain stocks to reasonable proportions.

Therefore, we need not be afraid—I would say the opposite would be appropriate—of encouraging western producers who are temporarily in a difficult position calling for exceptional short term remedies—and the remedy which the government wants to apply today is of that very nature.

I read recently that by July 31, 1961, our grain exports had reached 353,500,000 bushels without wholly taking into account the new deals made possible by the strenuous effort of the Minister of Agriculture. The estimated quantity for next year would be about the same. Because of the Chinese market, it is expected that Canadian farmers will be sure to sell all their export products.

Mr. Chairman, before closing my remarks, I should like to add that there is a significant project under way, I mean the project advocated by the Prime Minister, which would not only favour the western producers but help them dispose of their stocks—I mean the world food bank.

It will be recalled—

(Text):

Mr. Pickersgill: I again rise on a point of order, Mr. Chairman. If we are going to have a debate on the world food bank, surely all hon. members are to be permitted equally to participate in that debate. If my friend the hon. member for Kent, New Brunswick, was expected to obey the rules, surely a minister of the crown and a distinguished member of the bar should also be expected to adhere to the rules laid down by the Chair.

(Translation):

Mr. Dorion: I should like to thank the hon. member for being so kind as to give me pointers. I realize one can always use the advice of younger people.

Be that as it may, I simply wished to point out—and I do not intend to open a debate on this point—that we shall have, thanks to the action taken by the Prime Minister, legislation which will be extremely favourable to the farmers. The Prime Minister's action will probably see its fulfilment during the Rome convention which is now being prepared.

Mr. Chairman, all this to say that we need feel no concern about our wheat production; that bank will make of western Canada another source of supply to be added to those we already have. So there is nothing to be concerned about voting on this item. I presume that in doing so—and I am not at all straying away from the logic of the rule which has been established and which has been so brilliantly recalled by the hon. member for Bonavista-Twillingate (Mr. Pickersgill).

Mr. Flynn: As interpreted by the hon. member for Essex East (Mr. Martin).

Mr. Dorion: In conclusion, all those policies of the government are linked up together and based on a truly national policy—national in its inspiration, in its application, in the good effects which it brings about, not only in western Canada but all over the country. Economically speaking, we are thus being realistic and we are working for the maintenance and progress of Canadian unity.

(Text):

Mr. McMillan: I am very much in favour of this vote to help the western farmer who has suffered because of the drought. The Acting Minister of Agriculture said the other day that in some areas there had been a complete crop failure and that in other areas there had been a partial failure. I think he went on to say—

Mr. Harkness: On a point of order, Mr. Chairman, I did not say any such thing. I think the hon. member has reference to somebody else. It may have been the hon. member for Assiniboia, but it was not I who said any such thing.

Mr. McMillan: The minister said that some areas only had approximately a 10 bushel yield.

Mr. Harkness: What I said was that the average yield was 10 bushels odd per acre last year whereas in the previous five years the yield per acre had averaged 19 bushels odd.

Mr. McMillan: I intended to come to that and to put the words of the minister on the record. From what the minister has said I think this indicates that there is a very serious problem in western Canada. I agree that the farmers there need help. I also wish

to ask the minister one or two questions, and I will be short. Is this part of a comprehensive program for agriculture? In eastern Canada there have been serious losses by farmers who grow beans. I know some farmers who depend on beans for their cash crop. In the three years prior to 1960 they had good crops, but because of weather conditions in those years, because of floods in October when they would normally be harvesting their beans, some suffered a complete loss. Others suffered partial losses. These farmers got no help.

I should like to ask one other question. Will the government give help in respect of partial potato crop losses in the maritimes or partial or complete loss of the apple crop in the maritimes, Ontario, Quebec and British Columbia? Will the government assist the fruit and vegetable growers in case of similar loss? I heard one member from western Canada refer to the fact that much of the money under the winter works program was being spent in eastern Canada and that this would largely offset this vote for the benefit of the farmers of western Canada. I agree that the winter works program helps to relieve the unemployment situation in eastern Canada—

Mr. Martin (Essex East): To an extent.

Mr. McMillan: —but it does not help the farmer in eastern Canada who has nothing to sell.

There is one other aspect of this vote about which I should like to inquire. I have read articles in the press indicating that in some parts of western Canada last year the crop was almost normal and, as the minister said, in other areas there was only a partial crop or half a crop.

Mr. Harkness: I did not say that.

Mr. Martin (Essex East): Something like that.

Mr. McMillan: The minister said that in other areas there had been a crop failure.

Mr. Harkness: I said that drought conditions throughout the west as a whole had resulted in little more than half a crop, and that applied all throughout western Canada.

Mr. McMillan: I simply want to ask the minister this question. Is the method that is being used in the distribution of this money fair? Suppose one farmer has almost a normal crop and another farmer has no crop at all. Will they both get the same amount of money and, if so, is that a fair division?

Mr. Harkness: Mr. Chairman, as far as the last question is concerned, the $1 an acre goes to everyone who has a permit book,

[Mr. McMillan.]

and it is not directly related to whether he was dried out 10 per cent, 20 per cent or 100 per cent. Those farmers who were dried out are eligible for assistance under the Prairie Farm Assistance Act and they have been compensated under that act. The man who had a good crop gets nothing, of course, under that act, whereas the man who had no crop gets the maximum payment permitted under that legislation. Compensation on that basis is being made. The payments are in process of being made at the present time, and I think most of the payments under the Prairie Farm Assistance Act have already been made.

With respect to the other question concerning help to other parts of Canada, I would point out that very extensive assistance has been provided to farmers, particularly in eastern Canada, under the Agricultural Stabilization Act for a wide variety of products. When I was administering the Agricultural Stabilization Act two or three years ago assistance was being provided under that act with respect to some 20-odd commodities. In Ontario those commodities included soybeans, winter wheat, cherries, sugar beets and a number of others in addition to those which are widespread and general such as hogs, eggs and lambs.

Mr. Martin (Essex East): Hogs and eggs by means of deficiency payments.

Mr. Harkness: Deficiency payments, which were extremely successful and which got us out of the terrible difficulty into which the previous government had got us with regard to both hogs and eggs.

Mr. Martin (Essex East): The most unsuccessful program we have ever seen.

Mr. Harkness: And, of course, all dairy products have been under support. The great bulk of the payments made under the stabilization act have been made in eastern Canada, of course, because that is where these specialty crops and dairying are concentrated to the greatest extent. As a matter of fact, in one year alone under the stabilization act—

Mr. Martin (Essex East): On a point of order, Mr. Chairman, this is a very interesting argument but I would point out that the hon. member for Welland is making a speech and has asked questions. The minister is not answering questions but making a speech. He should take his seat, listen to the contribution of the hon. member for Welland, and if the minister still remembers what he is saying now he can repeat it then.

Mr. Harkness: The hon. member for Welland asked me two questions and took his seat. He looked at me expecting me to answer and I set out to do so. The hon. member for Essex East is following his usual method of trying to prevent anybody on this side of the house saying anything while people on that side of the house should, in his opinion, be able to say anything regardless of the rules of the house or anything else. This is but another demonstration of his constant attempts to interrupt unduly the reasonable and equal flow of debate in the house.

Mr. Pickersgill: Closure.

Mr. Harkness: I was about to say to the hon. member for Welland that in one year alone we paid out in eastern Canada under the stabilization act an amount at least double the total amount of this vote.

Mr. Pugh: They would not know anything about that.

Mr. Danforth: Mr. Chairman, as an eastern farmer I should like to take part in this debate and try to present to the committee some of the feelings of the eastern farmers concerning this payment of $42 million to western farmers. I am inspired to speak this afternoon in part because of the speech made previously by the hon. member for Essex East. In listening to his presentation I did not know whether he was speaking on behalf of the eastern farmers or acting as critic on behalf of the western farmers. I certainly hope he was speaking more for the western farmers. He used words such as "mere handout" and "inadequate payment".

Mr. Martin (Essex East): That is right.

Mr. Danforth: From anything I have heard this is not the feeling of the western farmers, and I certainly wish to say that some of the hon. member's ridiculous statements the other afternoon do not in any way represent the feelings of the eastern farmers. When I say that his statements were ridiculous, that is mild criticism. I point out that he said that the farmers of southwestern Ontario had complained bitterly about the policy of deficiency payments on sugar beets announced by the government a few weeks ago. For the record I should like to read an excerpt from a letter addressed to me from the Ontario sugar beet growers' marketing board. It is dated January 9, 1962, and reads as follows:

> I have been requested by Mr. John Van Raay, chairman of this board, to convey . . . on behalf of himself, the directors and all Ontario sugar beet growers, sincere appreciation for . . . efforts in bringing to a head the finalization of a plan for a national sugar beet policy. The government should be commended in formulating this plan that protects the Canadian farmer from low world prices—

Mr. Martin (Essex East): Your constituents have been up in arms.

Mr. Danforth: This is signed by Mr. Campbell, the secretary of the Ontario sugar beet growers' marketing board.

Mr. Martin (Essex East): What did Mr. O'Neil say?

Mr. Danforth: Mr. O'Neil, sir, being a well known adherent of the opposition party is no longer secretary to this board.

If I may continue with this thought a little further, Mr. Chairman, the hon. member for Essex East referred to the march of 1,000 wheat growers on this capital to make representations to this government. I should like to say that there were 4,000 Ontario sugar beet growers, with millions of dollars in specialized equipment, who made representations to the minister of agriculture of the former government, pleading for help for an industry that was in dire economic peril. What did they get? They certainly got an answer. The then minister of agriculture said, if you cannot afford to grow sugar beets perhaps you should be growing soybeans.

I wish to go on record at this time, Mr. Chairman, as expressing my sincere thanks to the farmers of western Canada, and their representatives in this house, for their 100 per cent co-operation with the Ontario sugar beet growers in their endeavour to provide some help to keep their industry alive. In every instance the support was 100 per cent and was deeply appreciated. It is for this reason the farmers of eastern Canada want to go on record today as whole-heartedly supporting the policy of this government which will give the western farmers some relief from these drought conditions.

I should like to say too, that as cattle growers in eastern Canada—this may not seem to have much relevance to deficiency payments but it is directly related—we were seriously concerned, when we learned of the drought condition in the west, that there would be a curtailment of fodder for these cattle. We felt there might be a great panic in the west which would result in the sale of surplus livestock and a slump in the price of cattle. We wish to go on record as saying we appreciate the stamina and courage of those western growers who, with the help of the government, provided the necessary forage to hold these cattle and thus make it possible to stabilize the cattle market, not only in the west but in the east as well. This was important to those of us in the east who raise so many cattle today.

Now, Mr. Chairman, we eastern farmers today appreciate the fact that no segment of the agriculture industry in Canada can be suffering economic trials without directly affecting the welfare of every Canadian farmer. As a result, we eastern farmers have striven for the last four years to obtain a policy which would aid the economic welfare of farmers in all parts of Canada. This effort has paid dividends because other farmers have aided us in our time of need. With the uncertainty of the elements and the markets, no farmer knows when tragedy is likely to strike. We feel that as a result of the crop insurance policy and other measures being introduced by this government the farmers are at last getting to the point where their welfare is being protected, their standard of living is being raised and they are approaching the parity they so richly deserve.

May I once again, Mr. Chairman, speaking for the eastern farmers, say that we do support these payments to western farmers and that we will do everything we can to see that the welfare of farmers in all parts of Canada is protected. It is only in this fashion that the Canadian agriculture industry can stand on its own two feet. We are not in a position to support the idea that this payment should be made to the western farmers every year, nor do I think the western farmers want it every year. We would hope that they would be in a position, as a result of good weather, good markets and good sales, to stand on their own two feet and take their place along with the rest of us. This is the situation the farmers in the east hope for the farmers in the west.

Mr. Pickersgill: Mr. Chairman, I should like to make this one comment on what has been said by the hon. member for Kent, Ontario. He said he did not want to support this acreage payment every year. Apparently what that means is that whenever it suits the political book of the Prime Minister it should be made, and when it does not then it should not. Apparently this is the reason it was not made last year and it is being made this year.

Mr. Danforth: On a point of order, Mr. Chairman, that is not what I said.

Mr. Pickersgill: Then, too, there was the fact that these cheque writing machines had broken down before Christmas. A feebler excuse for not doing something has never been given by anyone.

What I rose to do, sir, was not to take any particular issue with the hon. member for Kent, Ontario, but to take serious issue with a statement made by the Secretary of State in his intervention in this debate. I trust, sir, I may have the same latitude the Secretary of State had in order to reply to the point he made. He said that the proper way in which assistance should be given to farmers was to have an application first from the provincial government that something was needed. He sought to make the sophistical argument that this was done in the case of wheat. Of course, nothing of the kind happened at all.

We recall very well when these acreage payments were first made in 1958. The federal government took the initiative itself, but it did not do what was requested by the farmers. It did something quite different and it did it on its own motion. What I am doing in rising to support the point my hon. friend from Kent, New Brunswick made this afternoon to the effect that when this kind of distress arises in any part of Canada amongst any group of farmers, the same policy should be applied.

The fact that this is not being done is, as my hon. friend showed, quite evident. I am thinking particularly of potatoes, and here it is not being done notwithstanding the fact that before the election in 1958 assurances were given that it would be done. I have in my hand a copy of the Charlottetown *Guardian* for February 28, 1958. I am going to read one short passage to make this point.

Mr. Pallett: The hon. member for Essex East will probably raise a point of order if you read it.

Mr. Martin (Essex East): I think this is very much in order.

An hon. Member: That is according to your own standard.

Mr. Pickersgill: The Prime Minister was speaking about potatoes and he said that each year before a crop season began, that is, the first part of April:

> You will know the lowest price, based on costs, that the farmer will receive during the year.

That was done for one year, and one year only. Now that policy has been abandoned. Those farmers were not told, as the Secretary of State suggested, that they would have to do anything. They were not told the provincial government would have to make an application before this policy was put into effect. This was the undertaking given by the Prime Minister when he was on the hustings, and it has not been kept. The same kind of treatment is not being accorded to the farmers who live there as is being given the farmers in western Canada.

The Acting Minister of Agriculture, in his reply to my hon. friend from Welland made a very good point, although it was not the point he intended to make. He stated that farmers who had a complete crop failure were

protected under the Prairie Farm Assistance Act, and therefore these acreage payments were paid to all farmers, no matter what the state of their crops might be. That, I think is correct, but what it undoubtedly means is that these payments are not being made because of crop failures; they are being made for income maintenance purposes, which is exactly the same as in 1958 when there was no crop failure.

The minister contradicted what was said in the speech from the throne about these payments. If income maintenance is to be provided on this basis, then I for one think it is necessary when you have a crop which, as the acting minister said, was cut in two—from an average of 19 million bushels to an average of 10 million bushels, leaving out the fractions. That is a disaster for the farmers. They are dependant upon a certain level of income. They have all kinds of fixed charges and are faced with a cost price squeeze, as are farmers throughout Canada. Certainly we are very ready indeed to support this measure for what it is, but in doing so, we say that there should be equal treatment for other groups, such as the potato growers and the farmers in my riding.

I admit there are not many farmers in Newfoundland. Agriculture is not of first importance there. In the agricultural areas on the island, and in my constituency particularly, the farmers have suffered very serious drought for two successive years, as a result of which we had enormous losses from forest fires. In the eastern part of the island the farmers suffered greatly. I leave to my hon. friend from Humber-St. George's to say what the situation was on the west coast, but I can tell you that on the eastern side they suffered very seriously because of the lack of rain all summer.

Our policy should be to give equal treatment to all Canadians in whatever parts of the country they live. That there is a real need for this legislation we do not deny. We affirm it. As the hon. member for Essex East said, the relationship of this vote to the need is not all it should be, but for what it is we are prepared to vote for it.

Mr. Harkness: I think I should correct some of the misconceptions raised by the hon. member for Bonavista-Twillingate who himself said he was no expert regarding agricultural matters.

Mr. Pickersgill: I did not say that.

Mr. Harkness: If he did not say it, he should have said it.

Mr. Martin (Essex East): The only people who know anything about agriculture are sitting behind the minister. Nothing is more factual, and no one can question the validity of that argument.

Mr. Harkness: The hon. member for Essex East is trying to prevent me making my reply.

Mr. Martin (Essex East): I am trying to put you on the right track and I find it very difficult.

Mr. Harkness: The actual situation in regard to potatoes and all other agricultural products is that assistance has been extended. For potatoes alone, proportionate to the number of people engaged in growing them, there has been more assistance extended than there has been to western grain producers.

Mr. Pickersgill: May I put a question to the acting minister?

Mr. Harkness: In addition to that, the year 1960 was one of the best years potato growers had.

An hon. Member: He would not know anything about that.

Mr. Harkness: The year 1959 was also a very good one but during the last year prices came down because of over-supply, primarily in the United States. In order to take a lot of these potatoes off the market and ensure a market for Canadian produced potatoes in Canada, admittedly not at high prices, but not at bad prices, we put a starch diversion program into effect. If the hon. member looked into the matter I believe he would find that the situation of potato growers in the maritimes has been much better since this government took office than it was in the previous five years. The growers there are very much better off than they were when the hon. gentleman's government was in power.

Mr. Pickersgill: Would the minister care to answer a question?

Mr. Harkness: Yes.

Mr. Pickersgill: Before dealing further with the subject can he tell the house whether or not the undertaking that the prices would be set at the beginning of the season has been implemented—the prices undertaking in the quotation I read from the Prime Minister's statement? Has that been carried out by the present government?

Mr. Harkness: I do not know what price statement was made, but I certainly do not think what the hon. member for Bonavista-Twillingate said was the statement.

Mr. Pickersgill: I read it from the newspaper.

Mr. Harkness: The other matter the hon. gentleman mentioned should be dealt with. He tried to make some argument to the effect that I had contradicted what was said in the speech from the throne because I had mentioned cases of people who had no crop at all. What the hon. member for Welland was talking about was their getting assistance under the Prairie Farm Assistance Act but, as indicated in the speech from the throne and as I myself indicated when introducing this estimate, the payment of $1 per acre is designed to improve the general income position of farmers in western Canada because they have only been able to produce a crop which is a little more than half their average yield production for the previous five years.

Mr. Pickersgill: That is what I said.

Mr. Harkness: And it is also designed to provide something for them in the nature of what you might call fair prices, so far as wheat used for domestic human consumption is concerned. Those two elements are involved and the fact that people who have no crop at all, or a very small crop, can receive assistance under the Prairie Farm Assistance Act is no contradiction whatsoever.

Mr. Rogers: At the outset, Mr. Chairman, I should like to assure you that I will keep in order. After listening to the debate, and the interjections made last Friday and today, I am afraid this vote will not be approved in time for those producers who wish to use it to assist them in purchasing seed. Representing a basically agricultural district where for the most part our general economy is dependant on the prosperity of our farmers I think I would be remiss if I did not commend the government for its decision to pay these acreage payments again. At first glance this may appear to be a subject that is solely of interest to the farmers. However, all of us are affected by the state of our agricultural industry and as taxpayers we are really partners in any government sponsored activity that will improve the prospects of our agricultural community. As a consequence these payments will be welcomed by all segments of our community.

By and large, if our farmers are prosperous, our general economy is buoyant. This is certainly true in western Canada, and for that matter it is true throughout the whole dominion. Let us make no mistake. Canadian growers are in what I would call an unique position inasmuch as the price of grain is largely governed by export. This has been particularly true throughout the surplus years. In other words, I think it should be abundantly clear that the prices obtained by our producers have no relation whatever to production costs.

I can assure you, Mr. Chairman, that these payments will not only cover a large area but will be distributed at the grass roots level, will be appreciated by all farmers and have a beneficial impact upon the prosperity of our general economy.

According to the figures given by the Acting Minister of Agriculture this should mean about $13 millions spread among some 79,000 farmers in Alberta. To support what I have just said, hon. members may have noticed the press last year when there was supposed to be a real drought in western Canada. I refer to the eastern press. They were lamenting all the time how it would affect the general economy, that is, machinery and other services. I think that when the government does make these payments sometimes the press are inclined to say that the farmer should stand on his own feet.

I maintain that the farmer does stand on his own feet and this is an attempt by the government to make a payment to the producer for the amount of wheat we consume in Canada. Therefore it is certainly no handout and I for one think this system should be followed year by year. It is the fairest way to spread it and I think it should be carried on until we solve the problems of agriculture.

Mr. Stefanson: Mr. Chairman, in rising to speak in support of the agricultural supplementary estimate, item 611, acreage payments to western grain producers which is now before the committee, I will be very brief. As the member for that area in Manitoba known as the interlake district, where the majority of farmers are considered small farmers, I can say without hesitation that the acreage payments will be welcomed by farmers from that area.

Last summer was the hottest and driest on record in Manitoba. With a combination of those two factors it is a miracle that any crop was harvested. However, the figures given last Friday by the Acting Minister of Agriculture, that the wheat crop for the prairie provinces for 1961 was slightly more than 50 per cent of the average for the past five years, hold true for the area I have mentioned.

The crop, although small, was of good grade and weight. This helped slightly to ease the burden. Many areas in the Selkirk constituency qualified for Prairie Farm Assistance Act payments. These P.F.A.A. payments, and now the acreage payments, will be of great assistance to supplement the income of farmers who have been hard hit due to drought conditions. I am sure they are convinced this is the fairest way of assisting and supplementing their income.

Those farmers do not consider the acreage payments as peanuts, as they have often been referred to in the house. Although the individual payment is small, the over-all payment is substantial. It is a real shot in the arm to the economy as a whole. Just about every community in the riding I represent will benefit from the acreage payment.

Opposition members who have spoken today indicated at the beginning that they were supporting the measure before the committee. When the hon. member for Drummond-Arthabaska spoke last Friday—I understand he is the official agriculture critic for the Liberal party, and I take it now for the new Liberal party—he showed a lack of knowledge and understanding when he referred to the acreage payments as a gift and straight charity. The hon. member for Essex East—

Mr. Martin (Essex East): Mr. Chairman, would the hon. gentleman be good enough to repeat what he has just said about something I was supposed to have said.

An hon. Member: No, the hon. member for Drummond-Arthabaska.

Mr. Martin (Essex East): I see. I think the hon. member will agree that the hon. member for Drummond-Arthabaska corrected that. The hon. gentleman was speaking in a language different from that of the hon. gentleman who is now speaking, and it was not because he did not know what he was talking about—

Some hon. Members: Order.

Mr. Martin (Essex East):—because the hon. member for Drummond-Arthabaska is one of the most knowledgeable men on this subject in this house.

Some hon. Members: Oh, oh.

An hon. Member: You are just jealous because the hon. member referred to him instead of you as the agriculture expert.

Mr. Stefanson: I thank the hon. member for assisting, but I followed the translation on Friday as the hon. member for Drummond-Arthabaska was speaking. The hon. member for Essex East followed him and—

An hon. Member: —said nothing.

Mr. Stefanson: Yes. He put on quite a show. This great orator, the hon. member for Essex East, was sent on a pilgrimage out west this month. He spoke at a meeting in Winnipeg, a meeting to revive the Liberal party. He spoke to that group on Friday night and reports in the Winnipeg *Tribune* said he kept the audience rolling with laughter. It no doubt was a similar speech to the one he gave in this committee on Friday.

Do you know how much the hon. member inspired that group? When they were scheduled to meet the next morning, at the appointed hour not a single delegate was present. One hour after the scheduled starting time the chairman had rounded up two dozen.

Mr. Martin (Essex East): That is wholly inaccurate.

The Deputy Chairman: Order. I think this might be a good point at which to report to Mr. Speaker.

It being five o'clock it is my duty to leave the chair in order that the house may proceed to the consideration of private members' business.

Item stands.

Progress reported.

Mr. Speaker: Order. It being five o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely notices of motions.

FLAGS OF CANADA

MEASURE TO PROVIDE FOR A NATIONAL FLAG OF CANADA—OFFICIAL NATIONAL ANTHEM

Mr. L. P. Pigeon (Joliette-L'Assomption-Montcalm) moved:

That a special joint committee of both houses of parliament be appointed to consider ways and means of giving Canada a distinctive flag and an official national anthem;

That, notwithstanding standing order 67, the said committee, on the part of this house, shall consist of 25 members, to be named at a later date, and that the quorum shall be as ordered by the said committee;

That the said committee be empowered to hear in this connection the views of Canadian organizations, public bodies and private citizens, to send for persons, papers and records; to sit while the house is sitting; to report from time to time; and to print such papers and evidence from day to day as may be ordered by it and that standing order 66 be suspended in relation thereto; and

That a message be sent to the Senate requesting their honours to unite with this house for the above purpose and, if the Senate deems advisable, to appoint some of its members to act on the said committee.

(Translation):

Mr. Speaker, first of all I should like to read the following motion to the house.

That a special joint committee of both houses of parliament be appointed to consider ways and means of giving Canada a distinctive flag and an official national anthem;

That, notwithstanding standing order 67, the said committee, on the part of this house, shall consist of 25 members to be named at a later date and that the quorum shall be as ordered by the said committee;

That the said committee be empowered to hear, in this connection, the views of Canadian organizations, public bodies and private citizens; to send

for persons, papers and records; to sit while the house is sitting; to report from time to time; and to print such papers and evidence from day to day, as may be ordered by it and that standing order 66 be suspended in relation thereto; and

That a message be sent to the Senate requesting their honours to unite with the house for the above purpose and, if the Senate deems advisable, to appoint some of its members to act on the said committee.

Mr. Speaker, needless to say that the great majority of Canadians are in favour of a distinctive national flag as well as a national anthem.

It would be interesting, if that motion is agreed upon, if various organizations across the country appeared before this committee; for instance, this committee could call the premiers of the various provinces which comprise the Canadian nation.

It would be interesting to hear Mr. Smallwood's opinion on what he understands to be a "distinctive national flag" as well as Mr. Bennett's, from British Columbia, and that of other premiers.

Mr. Speaker, need I remind you that the Canadian Chamber of Commerce, on many occasions, during its conventions, unanimously passed a motion requesting the adoption of a distinctive national flag.

The Knights of Columbus of Canada have also adopted a similar resolution.

The Catholic and national unions, and particularly those of Joliette, have already submitted to me a brief asking that I request in the house the adoption of a national flag, and of the national anthem "O Canada".

The National Federation of Canadian University Students, at its 25th convention held in Kingston, also adopted a resolution requesting a Canadian national flag and a Canadian national anthem, that is, "O Canada". That resolution was introduced by the students of St. Joseph University of Moncton.

The national federation of university students represents 37 Canadian universities and 50,000 students.

The National Youth Movement, affiliated with the Native Sons of Canada, has also requested the adoption of a Canadian flag, white and red with a green maple leaf, and the song "O Canada" as national anthem in all provinces. I believe that the very great majority of Canadians are in favour of the adoption of an exclusively Canadian flag.

On August 5, 1960, the members of the National Youth Movement made a survey at the intersection of Northcote and Queen streets, in Toronto. Here is the result: 74 per cent of those questioned want an entirely Canadian flag on which the maple leaf would be the main pattern; 21 per cent want a flag with the Union Jack; 1 per cent want the stars and stripes of the United States; and 4 per cent are undecided.

It is a fact that "O Canada" is being heard more and more in Canadian official ceremonies. We know the precedent established at the time of the royal visit, on July 1, 1959, when "O Canada" was played for the first time on the occasion of the march past on Parliament hill. "O Canada" was also played before the Governor General, Mr. Vanier, while he inspected his personal guard for the first time. It is almost never forgotten now, because protests would be immediate. It is a sign of the times.

"O Canada" is a national anthem.

"O Canada" is a truly national anthem for our country. Its words tell the history of our country, with its vast expanses of lakes, prairies, cities, mountains and farms. Never has this song failed to kindle a burning flame of love and pride for our country. For many newcomers to our shores, "O Canada" will be inspiring and will strengthen that spirit of Canadianism which will make them love their new country.

"God Save the Queen" originated in England in the 18th century, amid partisan strife having nothing to do with Canadian traditions. That hymn is waning in the Canadian west, as all those who listened to the 1958 football finals broadcast were able to realize. Our anthem, "O Canada", with its title and words, is a recognition of Canada as an independent nation, freely and willingly associated with the British commonwealth. It is high time for sleep-walkers in our midst to wake up and accept the facts of 1962.

In 1959, the Canadian institute of public opinion was carrying out a poll among Canadians with regard to the choice of a national anthem. The question was put in this way:

These are the titles of four patriotic songs. According to you, which would be most suitable as our national anthem?

O Canada	67 per cent
God Save the Queen	20 per cent
The Maple Leaf	11 per cent
Rule Britannia	1 per cent
No answer	1 per cent

This survey took place in 1959, and I am certain that if it were repeated in 1962, the 1959 choice would certainly carry more than 90 per cent of the votes.

Mr. Speaker, we have heard the Leader of the Opposition (Mr. Pearson) ask for a distinctive national flag. First of all, it would be interesting to know what he means by distinctive, because the Liberals themselves are much divided on that point.

As a matter of fact, there is no need to recall what happened at a certain convention of the Young Liberal Federation of Canada. Referring to *Le Devoir* of September 28, 1959, I might say that the young Liberals of Canada were divided. I shall now quote that paper:

A Winnipeg delegate, Mr. Allan Barry, said that those who are opposed to the fleur-de-lis and to the union jack have no great Canadian feeling. Those who stand for a positive Canadianism are broadminded enough to recognize the contribution made by France and England to the development of Canada.

Mr. Speaker, need I remind you that order in council 5888 was adopted on Wednesday, September 5, 1945, by the former government. Let me read you a few extracts:

It is desirable to authorize the flying of the Canadian red ensign on federal government buildings and to remove any doubt as to the propriety of flying the Canadian red ensign wherever place or occasion may make it desirable to fly a distinctive Canadian flag.

Therefore, His Excellency the Governor General in council, on the recommendation of the Prime Minister, is pleased to order and doth hereby order that the red ensign with the shield of the coat of arms of Canada in the fly may be flown from buildings owned or occupied by the federal government within and without Canada.

His Excellency in council, on the same recommendation, is further pleased to declare and doth hereby declare that it shall be appropriate to fly the Canadian red ensign within and without Canada wherever place or occasion may make it desirable to fly a distinctive Canadian flag.

Mr. Speaker, that order in council was issued in 1945 under Mackenzie King's government. Who was a member of the cabinet at that time? None other than the hon. member for Laurier (Mr. Chevrier) who, in 1945, could easily have got up and asked that a truly distinctive flag be adopted contrary to the above-mentioned order in council. The hon. member for Laurier is not the same man today, he is altogether different. Does that mean that he has changed his mind since he has become a member of the opposition?

Must I also remind you of the article which appeared in the newspaper *Le Devoir* on March 7, 1958? That article was written after the election campaign of 1958 at a time when Mr. Pearson was going from one end of the country to the other, saying one thing in the English speaking provinces and another in Quebec.

Mr. Dupuis: That is untrue.

Mr. Pigeon: Here is what the newspaper said:

Mr. Pearson's statement on the necessity of a national flag got a favourable reaction in the capital. However, it was noted that in his interview with the students at the Montreal reform club, the Liberal leader was careful to add: "Perhaps discussions should be held to determine whether or not the union jack should be included in the flag". A Conservative noted for his nationalistic sympathies, made the following comment: "Mr. Pearson is giving, in Quebec, assurances to a certain well-known English speaking group—

Mr. Speaker, I should like to ask the hon. member for Essex East (Mr. Martin) to remain in the house if possible, because I would be very happy to hear what he has to say about this question of a distinctive national flag, to find out what he means by a distinctive national flag. It seems to me that the question we are now discussing is of such importance that he should not leave the house, but that, on the contrary, he should tell us what he understands by distinctive. I think he is showing a lack of courage, and I will continue:

—A Conservative noted for his nationalistic sympathies, made the following comment: Mr. Pearson is giving, in Quebec, assurances to a certain well-known English speaking group. That is to say, he supports (or at least does not squarely come out against) the avowed opinion of Jack Pickersgill and James Sinclair in this matter. This is not what the people of Quebec had expected, steadfastly dedicated to the adoption of a distinctive national flag, one without any trace of subservience to any other country. A Liberal said to us: "If Mr. Pearson came out in favour of the union jack on our national flag, he should have remained silent. This will do more harm than good to the Quebec Liberals."

Mr. Speaker, today the Leader of the Opposition is again favouring a distinctive national flag, but I would like him to be here in this house to tell us what he means by "distinctive", to hear him say whether he still holds the same opinions he had a few years ago, that is to say in 1958. It is really unfortunate that the Leader of the Opposition, who toured the province of Quebec lately and supported the idea of a distinctive national flag, should not be here to tell us what he means by "distinctive". He did not go out of the house as the hon. member for Essex East (Mr. Martin) did. He simply is not here.

It is unfortunate, Mr. Speaker, because we know to what extent the Liberal party has completely transformed itself since it has been in the opposition, and that it is now in favour of a distinctive national flag.

I do hope, Mr. Speaker, that this motion will be passed, so that this committee of

both houses may be set up as soon as possible, in order that the outstanding personalities of the Canadian nation may be heard with a view to adopting as early as possible a distinctive national flag and a national anthem, that is to say "O Canada".

Mr. Yvon Dupuis (St. Jean-Iberville-Napierville): Mr. Speaker, I had not intended to participate in this debate on the adoption of a flag and a national anthem, but following the unfounded statements of the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon), I think it is the duty of the member for St. Jean-Iberville-Napierville to clear up a few points.

If the hon. member for Joliette-L'Assomption-Montcalm had merely introduced his motion in the house, I would have supported him immediately. There was nothing to add to what he said. We also, on this side of the house, are in favour of the setting up of a joint committee of the Senate and of the House of Commons. On that count, I support the member for Joliette-L'Assomption-Montcalm, as all my colleagues will, if the question is put before six o'clock; but I rather think he is going to be disappointed, because we on this side of the house will not kill time. But, if the member for Joliette-L'Assomption-Montcalm will consider the time he consumed to talk out this measure, he will know with whom the fault will lie for his failure.

I took the floor to say that if the member for Joliette-L'Assomption-Montcalm hadl simply introduced his motion, he would have helped his cause, but the hon. member for Joliette-L'Assomption-Montcalm is unable to be objective, and once more, in introducing a motion asking the house to set up a joint committee of the Senate and of the House of Commons, he harked upon old sentimental stories and indulged in petty politics, to which we have become accustomed since he has been sitting in this house.

Mr. Speaker, when I hear the hon. member for Joliette-L'Assomption-Montcalm asking us where is the Leader of the Opposition at this time, I am inclined to retort: where is the Prime Minister at this time?

Mr. Pigeon: Will the hon. member for St. Jean-Iberville-Napierville not tell us why Mr. Martin has left?

Mr. Dupuis: I have listened to the hon. member for Joliette-L'Assomption-Montcalm and I hope he will show me the same courtesy. I would ask him where the Prime Minister is at this moment. If the hon. member criticizes the Leader of the Opposition for having stated that he is in favour of a distinctive flag without specifying what kind of distinctive flag he had in mind, then I will tell him that I would rather have a man who declares himself in favour of a distinctive flag than one who makes statements like those which the Prime Minister made last week concerning the flag before the Ontario Conservative Women's Association, to discredit the sacred cause of the flag in Canada.

Mr. Speaker, I regret that I should have to make this statement, because the more these old refrains are brought up in the house, the more it will harm the cause of the flag.

Instead of asking where the Leader of the Opposition is, this man who has the courage to express his opinions, instead of suggesting that the Leader of the Opposition blows hot in Quebec and cold in Vancouver, when he knows that that is entirely false, the hon. member for Joliette-L'Assomption-Montcalm should be objective and ask his colleagues to introduce a motion for the establishment of a joint committee of both houses of parliament and we will vote in favour of it.

Mr. Speaker, we have had enough of those attempts to make the Prime Minister appear as being in favour of a distinctive flag, when we know that he has raised the racial issue last week. Before I resume my seat, I should like to read again the comments made by Mr. Clement Brown, a newspaperman of *Le Devoir* who is a friend of the Conservatives, and which appeared in the issue of January 23, 1962:

> Even the old guard of the Conservative party is baffled by the Prime Minister's intervention and the Quebec wing of the party admits that its leader has placed himself in an unpleasant situation from which he will have to pull himself promptly by expressing his views more clearly.

Well, Mr. Speaker, the Prime Minister will have to be more specific, because he has left certain doubts in the mind of the Canadian nation. He has tried to lead an underhanded fight against the Leader of the Opposition about a cause too sacred to be dragged into the game of politics, the cause for a national flag.

Mr. Speaker, I will say to the hon. member for Joliette-L'Assomption-Montcalm, instead of his own motion today, which is certain to die a slow death through the lengthy speeches of his colleagues, why did my hon. friend's Conservative party refuse to state in the speech from the throne its intention of giving Canada a distinctive national flag or of establishing a joint committee of the House of Commons and the Senate to study such a measure. I ask him that question. He does not answer because he does not want to speak openly and also because there is a deep rift on this question

within the Conservative party. And if you want to talk politics—

Mr. Pigeon: If the hon. member will allow me—

An hon. Member: Sit down.

Mr. Dupuis: In the first place, you should not say "sit down", if you are polite. If you want the floor, I will relinquish it to you with pleasure.

Mr. Pigeon: If my very dear friend will let me speak.

In the first place, Mr. Speaker, the member refers to the future without knowing anything concerning the Conservative party. Our party has always worked towards national unity.

Mr. Dupuis: Do you have a question to ask?

Mr. Pigeon: Here is what I should like to know. May we assume that the hon. member for Essex East has gone out, that he is not here, because he was afraid to express his opinion on this matter?

Mr. Dupuis: Is your question related to the matter under discussion?

Mr. Pigeon: I had a question, I asked it.

Mr. Dupuis: If you have no other question to ask, do not waste the time of the house, because you will "kill" your measure.

Mr. Speaker, I ask for the vote as soon as possible in order that this question be settled, that a joint committee of the Senate and the house be appointed in that connection and that we stop playing politics about such a sacred matter.

An hon. Member: You were in power for 22 years and you did not do anything about that matter.

Mr. Dupuis: Another polite gentleman, the hon. member for Montmagny.

(Text):

Mr. Hazen Argue (Assiniboia): I am pleased at this time, Mr. Speaker, to support the motion asking for the setting up of a special joint committee to consider ways and means of giving Canada a distinctive flag and an official national anthem. The policy of the C.C.F. movement over the years in this field is well known and has been consistently in support of a distinctive flag in Canada and an official national anthem.

I think it is time that we brought this about. I believe our nation is ready to support a distinctive flag and an official national anthem and I believe support of this kind will flow from all parts of the country.

The government has made the boast many, many times that it is a government of action, a government that believes in getting things done. In relation to these particular questions, this government has been one of inaction, of indecision. Yes, Mr. Speaker, I think there is evidence that the government is opposed to this kind of move and not only will it do nothing to support either of these proposals but it will in fact make certain that nothing is done in the near future to bring about a distinctive flag and an official national anthem.

I am certain that the hon. member who has moved this motion is sincere in wishing to have for our country a distinctive flag and an official national anthem.

Mr. Lennard: We have got one.

Mr. Argue: At the very best this motion can be passed by the house and action taken to set up a committee to study these questions and to report to the house at some time. That is the very best that could happen. But I think hon. members in all parties will agree that this is not likely to happen, that even if this motion should be passed by the house and even if a committee is set up an election will likely overtake the work of the committee and therefore the best that can be obtained in fact is mere discussion and consideration and no final action in the present parliament.

From our point of view the worst thing that can happen is for this motion to be talked out. This is a private member's motion. We have until six o'clock to debate it. If it is not carried it will go to the bottom of the order paper and for all practical purposes the motion will be dead for this session. I think all members in all parties would be wise to pass this motion. In my opinion it would be a great mistake for any hon. member to take the responsibility of speaking on this motion until six o'clock and preventing the house from taking a decision on it and passing it, I would hope, so that at least this limited action in this field might be taken.

I suggest that if the Conservative party, one member of which has put this motion on the order paper, should talk it out it will demonstrate to people in all parts of Canada that it is phony, that it does not mean anything. Instead of action being taken following this motion to lead to these very laudable objectives, the motion will have done nothing to bring this about. I suggest that if the motion is talked out this will demonstrate that the people involved, the person who talks it out and the party of which he is a member, are taking very effective action—

Mr. Churchill: What are you talking for then?

Mr. Argue: —to kill the proposal and to make it impossible for any action to be taken.

Mr. Churchill: You insist on speaking but you do not want others to speak.

Mr. Argue: I think it is a well known practice of the house that each party has the opportunity, yes, the obligation, to make its position clear to the nation and to place its position on the record. Our position is in support of this very limited action, and we call on the Conservative members, Liberal members and our members to allow the House of Commons to make a decision on this question this afternoon.

Mr. Browne (St. John's West): I wonder whether I could ask the hon. member who has just taken his seat a question. Is it correct, as stated in the press, that at the organization meeting of the New Democratic party no national anthem of any kind was sung at any time?

Mr. Churchill: And no flags were flown.

Mr. Argue: I do not know what my hon. friend read in the newspapers.

(Translation):

Mr. V. F. Dubois (Richmond-Wolfe): Mr. Speaker, the question of a national flag for this country has been raised for a great many years in this House of Commons. Various designs have been suggested, but for the Canadian people there is only one flag which should prevail, and that is a distinctive national flag.

Today, Canada is composed of citizens of different origins who came here to find a better way of life and a new land. Those people of various cultures wanted to adjust themselves to the way of life of the Canadian people, of the founders of this nation. Consequently, if we want to be fair to all those people of different national origins, we must offer them an emblem which is entirely distinctive, and which has no connection with any other country.

The motion of the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) is very well founded and we should support it on its merit, because it specifically advocates that our national flag should be really distinctive.

Today, we know that this country, because of an amendment to the Statute of Westminster passed on December 11, 1931, enjoys its full independence, as, from then on, it had the advantage of its own court of final appeal. Formerly, cases of some importance could be heard by the privy council in London. But today, all our cases are settled in Canada, without going overseas.

Moreover, it is the Canadian government's responsibility to appoint the Governor General, chosen from among the most distinguished men in Canada.

We have ambassadors and consuls in a great many countries. We have our representatives at the United Nations, and we know that on September 26, 1960, the Right Hon. Prime Minister of Canada (Mr. Diefenbaker) made one of those speeches—

Mr. Deschatelets: You are killing time, friend.

Mr. Dubois: —the like of which never had been heard at the general assembly of the United Nations.

An hon. Member: You should ask Mr. Smallwood's opinion.

Mr. Dubois: There are also those Canadians who shared the horrors of the two wars of 1914-18 and 1939-45. Our soldiers, though they distinguished themselves on every battlefield, never were able to get a flag to represent them. And, when one of them was unfortunate enough to lose his life there, to give his life for his own people, he was buried wrapped in a foreign country's flag.

An hon. Member: The hon. member for Essex East (Mr. Martin) should have his say.

Mr. Martin (Essex East): I am here.

Mr. Dubois: We also know—

An hon. Member: Where is the Prime Minister?

Mr. Dubois: —that this country is entitled to a national anthem.

(Text):

Mr. Speaker: Order; we can only attend to one debate at a time. If the hon. members who are having a private debate would like to adjourn to the lobby, I am sure it would not disturb the rest of the house.

(Translation):

Mr. Dubois: Every independent country, Mr. Speaker, is proud to have its own national anthem, which celebrates the feats of arms of its history or recalls the basis for its development.

We know that at present the anthem "O Canada" is readily accepted by all elements of the Canadian people. We had the honour of singing it here in this house, and, with our voices united, we were not afraid to sing it to the Canadian people.

When our athletes go to the United States, the anthem "O Canada" is played before the start of a hockey game or some other kind of competition.

Mr. Speaker, for all those reasons, and many others I could list, I strongly support this motion of the hon. member for Joliette-L'Assomption-Montcalm.

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): I have just one remark to make, Mr. Speaker.

With all due respect to the hon. member for Richmond-Wolfe (Mr. Dubois), he has unduly delayed an extremely important vote we wish to take.

We are in favour of this measure. The Liberal leader and the N.D.P. leader have already expressed their views in favour of the motion. Let us have the question. It is late, it is 5.35 already.

Mr. Pigeon: On a question of privilege, Mr. Speaker. We would like to know the views of the member for Essex East (Mr. Martin), so that we may know what he means by "distinctive".

(Text):

Mr. Martin (Essex East): The hon. member for Joliette-L'Assomption—

Mr. Speaker: Order; I am sorry but the hon. member for Essex East cannot be recognized at this time to answer a question. The hon. member will have the opportunity to speak in due course. Is the house ready for the question?

Mr. Terry Nugent (Edmonton-Strathcona): Mr. Speaker, I was greatly interested in the speech by the hon. member for Assiniboia (Mr. Argue). I have heard the same speech, of course, on many other occasions when a private bill has been debated in the house. It is typical of the tactics he employs to take the opportunity and use part of the available time for purely political purposes. He informs the house how serious such a measure as this is, how important it is to the country as a whole that the measure be passed, what rascals we all are if we dare to talk about the subject, and then tells us we should vote on it quickly once he has made his usual political speech. I am not one of those who believe that this speech the hon. member makes is going to fool anyone in the country. If he would recognize that the people of this country who are adult enough to appreciate a flag or a national anthem are adult enough to be wise to this sort of tactic, especially after it has been used this length of time, the hon. member would not waste so much time. However, I do not want to fall into the hon. member's habit and talk only about the political aspects of the measure before us.

I believe that a lot of serious consideration must be given to the question of a flag or a national anthem, and much serious consideration must be given to the manner in which a flag shall be chosen. I suggest that when we are considering the question of whether or not this country should have a distinctive flag, we should reflect for a while on some of the more important uses of that flag. Certainly, those of us who have been in a foreign country, especially if you have difficulty speaking the language or you run a little short of money and do not know where there is a bank or where to turn for help, know how advantageous it is to spot a flag that is a distinctive symbol of home. I would suggest that one of the most important uses of the flag is to mark a little bit of Canadian soil, a friend from Canada, whether it is a ship or anything else. It is a way of letting it be known that here is a Canadian, here is a little bit of Canada or someone who is a friend of Canada's.

Many people, of course, would like to have a flag flying in their own home as a daily reminder of their Canadian citizenship. Many people would like to have the flag in the classroom or would like to start classes by the singing of the national anthem as a sort of reminder that we are an independent, sovereign nation. Certainly, the fact that Canada is not a colony cannot be emphasized too strongly in some parts of the world; we are a free, independent and sovereign nation.

If we had our own flag it would serve as a reminder that Canada is a distinct entity. I should like to caution some of those members who are most worried about the subject that there is more than the spirit of nationalism to be considered. Certainly, we are all proud of being Canadians and we would like to display some symbol to show our national unity, our national sovereignty. However, it is a question right now of just what that symbol should be and how we should arrive at it. I am suggesting that there are more important considerations to be borne in mind. Canada is growing in stature and has always been a most complex nation in terms of national background and the heritage of the people who make up this country. The flag has the purpose of drawing us together, to help give us national unity, to help make us a national entity. I suggest, Mr. Speaker, it is most difficult at this stage of the development and growth of this country to clearly define that national entity.

If it is as difficult to define a Canadian as I feel it is, then how much more complex and difficult is it to find a symbol that will show to the world what "Canadian" means, a symbol that will satisfy all people in this country, or at least the vast majority of them?

I suggest that being a true Canadian, a distinctive Canadian, means at least a dozen different things in our country at the present time. There is one large group, the French Canadian group, which feels that the true Canadian spirit is the spirit of the French

Canadian habitant. He has been in the country a long time. He has a great pride in Canada and has a burning desire to have it recognized that the French Canadian spirit is certainly as patriotic as any there is. To him it is not a French spirit; it is a Canadian spirit and he feels very strongly that it is the true Canadian spirit.

However, we do have a great many citizens from the British commonwealth, people who are firmly attached to the cultural heritage they have gained from Great Britain, and they feel that any spirit which does not recognize the heritage of that country, which does not recognize the historical ties and development links which we have with Great Britain, could not be truly Canadian. They can point with considerable force and intelligence to the fact that we in this house are enjoying a parliamentary system of government, that our rules, our elections and everything connected with our form of government are of direct descent from the British parliamentary system. It would seem there is much weight in the argument that anything which has become so truly Canadian as our parliament—

Mr. Deschatelets: Would my hon. friend permit a question?

Mr. Nugent: Yes.

Mr. Deschatelets: Does he realize that if he speaks until six o'clock he will kill this bill?

Mr. Nugent: In answer to the hon. member's question I thought I made it clear at the start that the matter of speaking on this and having a vote on it tonight has been in my mind. I assure the hon. member that if he is patient and listens to me to the end I can give good and cogent reasons—as I thought I had been giving during the course of the debate—why we are not prepared at present to choose a flag. No matter how trying it may be for him, if the hon. member will do me the courtesy of listening he will find this is the sum and substance of my remarks. In fact I have been dealing almost exclusively with that point, that we are not ready to choose a flag today.

Before the interruption I was dealing with our parliamentary system. I think we can call it truly Canadian and yet, because of its parentage, its direct descent from the British parliamentary system, we can also agree to some extent with those who say "Well, this is British". We have also inherited our system of common law from Great Britain and there is hardly any person in Canada who is unaware of the fact that our case law is built upon British case law. In fact nearly all former colonies within the commonwealth have inherited that same British system of common law. In our courts it is quite customary to refer to decisions of other courts throughout the commonwealth, and indeed quite often to cases in the British empire. We still have to refer many times to old British decisions, and therefore I can quite understand any lawyer in Canada searching for typical Canadian law saying he cannot envisage a typical Canadian who does not want to respect our British parentage because of our common law.

Now, in dealing with the heritage we have gained from Great Britain I might seem to be someone from England, but, on reflection, I am sure my friends realize my surname is Irish and the heritage I get from the Irish through my father is not such that all things British are particularly precious to me. In fact I was named after an Irish rebel who died in a British prison, and so can assure everyone I am not urging that a true Canadian must necessarily be an admirer of the British.

What I think important is that we are searching for a symbol of Canada, a symbol that would show it was Canadian, and we must take into consideration the factors which people want that symbol to portray. Offhand I do not think we can get a flag that will show our parliament and system of common law.

Mr. Martin (Essex East): If I may ask the hon. member a question, does he not think this would be a good opportunity to terminate his speech so that we could vote, and thereby demonstrate that this is a sincere motion on the part of the government's proposer?

Mr. Nugent: If we did not know the hon. member for Essex East so well we might have taken that question seriously. However, having been here more than one day, and having heard the hon. member previously, I am sure he is well repaid by the chuckle or two that was heard after he took his seat. I think the hon. member is about as anxious to vote on this—

Mr. Martin (Essex East): Give us a chance and we will vote. We will vote for the motion.

Mr. Nugent: He is anxious to have a decision made on the question of the flag, although I know he would take great comfort in the words of his leader that if they were in power the ministers from Quebec would make the decision.

Mr. Martin (Essex East): On a point of order, the hon. gentleman who started out pretending to make a serious speech—

Mr. Speaker: Order; would the hon. member state his point of order?

Mr. Martin (Essex East): The Leader of the Opposition never uttered words that bear the interpretation the hon. gentleman has now unfairly made.

Mr. Speaker: If the hon. member takes exception to the interpretation of what was said he is entitled to ask to make an explanation, but normally at the end of the address.

Mr. Martin (Essex East): I did make an explanation. We are not allowed to vote. This government will not let us vote.

Mr. Nugent: Mr. Speaker, I am not really perturbed by that objection. As usual, the hon. member for Essex East (Mr. Martin) rises on a point of order to make an interjection, which he does so often, to demonstrate his mastery of the rules of the house. The hon. member cannot be heard to say that he did not know it was a phony point of order—

Mr. Martin (Essex East): Insult upon insult is no argument.

Mr. Nugent: —and a phony objection also. With regard to the question of choosing a flag, this afternoon I have been attempting to deal with some of the difficulties inherent in choosing a symbol that is going to show people the world over what is a Canadian. We are going to have some strong feelings from so many people in different parts of the country about what form that symbol should take.

I suggest that our real difficulty is this. Until we have a more easily defined or more homogeneous type of Canadian nationality we would be very ill advised to attempt to get a flag to represent Canada at this time.

Mr. Martin (Essex East): Let us try it.

Mr. Nugent: As I said at the start of this speech, I feel that one purpose of a flag is to help achieve unity in this country. If there are going to be so many different views, and so many of them so strongly held, on what sort of a flag we should have, I suggest the process of choosing that flag could today cause more disunity than any other single action for years, with the possible exception of how the Liberals handled the conscription issue, or something like that.

Certainly I can understand the hon. member for Essex East wanting us to rush blindly into this. They have demonstrated, on more than one occasion, I will not say their anxiety but their carelessness about whether or not they disrupt the unity of this country. I am sure that the—

Mr. Speaker: Order. I am sorry to interrupt the hon. member but I must inform him that his time has expired.

Mr. Martin (Essex East): Mr. Speaker, so there can be no doubt about this, we in the opposition will support this motion—

Some hon. Members: Order.

Mr. Martin (Essex East): —and we trust that the government will give us an opportunity of voting on this important question so we can see whether or not hon. members sitting behind the ministry support the motion made by one of their number, the hon. member for Joliette (Mr. Pigeon).

We will support this motion, and if we have not the time between now and six o'clock we can, as master of our own rules, take enough time to vote on this measure and get an opinion from everyone in this house as to whether we are prepared to set up the necessary machinery as a result of which we could determine for this country the right to have a distinctive Canadian flag.

Mr. Pallett: Mr. Speaker, could I ask the hon. member a question before he resumes his seat?

Mr. Martin (Essex East): No, let us get on. Let us vote.

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

Some hon. Members: Question.

(Translation):

Mr. Remi Paul (Berthier-Maskinonge-Delanaudiere): Mr. Speaker, since the beginning of this parliament, nearly all hon. members have been called upon to speak on the advantages and the need of a distinctive emblem and to choose a national anthem. Therefore, the time has come, I believe, to take politics out of this question of national interest, and the best thing all hon. members could do for the Canadian people is to vote now in favour of the motion introduced by the hon. member for Joliette-L'Assomption-Montcalm.

Mr. J. J. Martel (Chapleau): Mr. Speaker, I have only a few remarks to make. I hope the opposition will let me expose my views for a minute or so.

Last year, on January 23, there was a debate in this house on the issue of the flag. Out of 19 members who took the floor at that time, 18 stated they were in favour—the other one did not have time to do so, but I imagine he would also have been in favour. Hon. members will also recall that after that debate there was a particular incident in front of the supreme court building when a young man from Ottawa, Mr. Peter Hargreave, raised his own flag up a flagstaff. This is an indication of the times, and I feel the time has come for our country, Canada, to have a distinctive national flag.

Therefore, I wish to support the motion of the hon. member for Joliette-L'Assomption-Montcalm not only as regards a national flag but also as regards a national anthem.

When I hear the hon. member for Essex East (Mr. Martin) ask for the vote, I remember that he belonged to a government that was in power for 22 years and that could have taken a decision on that matter before today. That government had even adopted an order in council to designate "O Canada" as our national anthem. But all kinds of difficulties were put in the way of that order because a comma had been inserted after the O in "O Canada."

In any case, I am in favour of the motion of the hon. member for Joliette-L'Assomption-Montcalm and I want it to be put to a vote. *(Text):*

Some hon. Members: Question.

Mr. Speaker: Order. The hon. member for Greenwood (Mr. Macdonnell).

Mr. Martin (Essex East): We will never get a vote now.

Hon. J. M. Macdonnell (Greenwood): Mr. Speaker, I doubt whether I shall raise myself in the estimation of my old friend, the hon. member for Essex East (Mr. Martin) by what I am doing, but I hope I am doing it for the best.

Mr. Martin (Essex East): Oh, it is not personal.

Mr. Macdonnell: I remember being on a committee that dealt with the question of a flag. I think that was my first year in this house, which was some 15 years ago. We had hundreds of flags set up in the railway committee room. We had a long, long discussion and I must say we very nearly reached unanimity at the end of it.

As I recall the situation, the then prime minister, Mr. King, by what seemed to me almost sleight of hand, pigeonholed that resolution and it has been more or less pigeonholed ever since. I hope I am being fair now. That is my recollection of what took place.

The real question at the moment seems to me to be whether this is a good time to deal with this question. I realize it is an important question. I realize there are many —particularly young people—in the country who would like action taken. I will be very frank about that. However, it seems to me that at the present moment we have, I can only describe it as being a bit of a relapse in the relations between the two old races in this country and it seems to me that this is not a very desirable time for us to get involved in a long and perhaps rather bitter discussion on a flag and national anthem.

We have a lot of things to do in the next few months. I say quite frankly that I do not feel entirely happy in doing this but I think I can say with a good conscience that it does not seem to me a good time to be plunging into this question when we have so many other things which I believe are more immediately urgent.

Mr. Speaker: Order. I am sorry to interrupt the hon. member but I must inform him that the hour for consideration of private members business—

Mr. Martin (Essex East): Mr. Speaker, could the house not unanimously allow the hon. member to finish, and then we could have the vote.

Some hon. Members: Hear, hear.

Some hon. Members: Six o'clock.

Mr. Speaker: As I hear some dissent from the proposal—

Mr. Argue: There is no dissent over here.

Mr. Speaker: —the house will resume the business which was interrupted at five o'clock.

Mr. Argue: Any dissent was on the Conservative side of the house, let us be clear on that.

Mr. Speaker: Order.

SUPPLY

The house resumed in committee of supply, Mr. Crouse in the chair.

DEPARTMENT OF AGRICULTURE

Production and marketing branch—

611. Payments to western grain producers to be distributed on the following basis, namely, $1 per cultivated acre up to a maximum of 200 acres per farm in accordance with regulations of the governor in council, $42,000,000.

The Acting Chairman (Mr. Crouse): It being six o'clock I do now leave the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Stefanson: Mr. Chairman, when this debate was interrupted at five o'clock in order to proceed to other business, I had almost concluded my remarks. I had already expressed my support for the measure before the committee and indicated that I felt that acreage

payments had the support of the farmers as well as the business people in the constituency I represent.

I was pointing out the attitude adopted by opposition spokesmen; how they bitterly criticized these payments to western grain producers and then concluded by saying that acreage payments would be of benefit and that they would support the measure. We are accustomed to seeing hon. members of the opposition throw up smokescreens of this type. The former leader of the C.C.F., now the house leader of the C.C.F.-New Democratic party, engaged in a great verbal barrage in finding fault with the agricultural policy of the government in general and concluded by saying that the measure would have his support.

I commend the government for taking this action. I also wish to congratulate the Minister of Agriculture. I am sorry that he is absent due to illness. I wish him a speedy recovery and a quick return to his place in this house.

In concluding I express the hope that the estimates before us will be passed quickly so that cheques can go forward to the farmers of the prairie provinces.

Mr. Argue: Mr. Chairman, I have just a few brief remarks to make in the light of some of the discussion that has already taken place. Before proceeding with my remarks I wish to join with those hon. members who have already spoken in expressing regret that the Minister of Agriculture is indisposed and unable to be with us at this time to discuss a very important estimate of his department. The minister was extremely kind to the members of the party that went west some days ago to attend the funeral of the Right Hon. J. G. Gardiner. Undoubtedly the severe weather in Saskatchewan at that time contributed to the minister's catching 'flu. I wish him a speedy recovery and a rapid return to his place in this house. I am sure hon. members understand that while in debate we are sometimes very sharp and critical one with the other, our good wishes go forward to any hon. member or friend who happens to be ill. May I say for the record that I greatly appreciate the telegram sent to me from the office of the Minister of Agriculture on his behalf and on behalf of his assistant wishing me a speedy recovery when I sustained a slight illness last fall.

We are discussing an estimate to provide for the payment of $1 an acre to western farmers up to a maximum of 200 acres. A number of reasons have been put forward concerning why this item has been brought before us. When it was first discussed in this chamber in August of 1958 the original rationale of the Prime Minister was that the payment was in lieu of a two-price system. It was explained that a step was being taken through which the people of Canada would make a contribution to western grain producers who, in the opinion of the government and hon. members generally, were not receiving an adequate price for wheat and certainly not for that going into domestic consumption.

Our position in relation to this item has been clear from the beginning. We feel the farm organizations were correct in asking the government for deficiency payments on wheat, oats and barley, to compensate for the effects of the cost-price squeeze, for the fact that since the end of the war the costs of production of the agricultural industry have increased alarmingly, while the prices of grain in general have increased only slightly if at all.

At the time of the initial announcement of these payments I was highly critical of the government. I said the government did not go far enough in offering this assistance. I am critical again tonight. I do not feel that this present measure is adequate. I feel the government is not keeping faith with the western producers in introducing this item at this time.

I wish to make my position clear. My opinion in this regard has not changed. On August 30, 1958 as reported at page 4351 of *Hansard*, I had this to say, in part:

> This is not a permanent policy, this $40 million item in the estimates. We would naturally welcome any continuation of this as a permanent policy—

Approximately two years later the government announced the payment of $1 an acre once again, making it applicable to a previous period. Today, a year and a half after that, the government is again announcing the payment of $1 an acre, but this is to apply to the present term. The government has skipped a year. We thought this government had a policy. We thought at least the policy meant a dollar an acre, a total item of $40 million a year, in order to compensate for the low price for wheat going into domestic consumption. However, the government has missed a year. This is not a permanent policy; it is a hit or miss policy. When the Prime Minister announced in Prince Albert on December 12 that payments will be recommended, Rudolf Usick, president of the Manitoba farmers union made a statement which reads in part as follows:

> The net effect will be that farmers will have missed a whole year's payment because the Prime Minister has not made up his mind on the basis of payment. All farmers need the payments, but they don't appreciate the Prime Minister changing the

basis of payments again on this hopscotch deal. It means the government has not made a final decision that farmers are entitled to an annual payment.

I suppose even a leader of a farm organization should be careful of his language owing to the supersensitivity of this government. As long ago as 1958, I called this thing "peanuts", in relation to the farmers' costs. Then a strange revelation was made in this House of Commons by the hon. member for Moose Jaw-Lake Centre. He told us why the government missed a year. As found at page 265 of *Hansard* he said this:

The reason we did not pay it last year was because you shouted "peanuts" and we had a great job trying to sell it again to the government.

I shouted "peanuts" in 1958. I guess the Prime Minister did not quite hear it because in 1960 he paid it again. But apparently in 1961, this single word that was used in 1958 suddenly hit the government and terrified them and they could not bring forward an estimate then because somebody had called out "peanuts". However, they bring it forward today. This is really a bit far fetched, Mr. Chairman, from a group of members who assert that they are getting everything for the farmer when they are speaking in this house. However, I would ask them—and I should like to hear them all do it—to stand up in this debate and call upon the Prime Minister to make a payment in addition to this one for the year that has been missed. This is what the farmers want to know in western Canada. Is this huge number of Tories from the prairies going to say to the Prime Minister, "We want this legislation made permanent; we want this payment for the year that you have missed"? According to his own words the hon. member for Moose Jaw-Lake Centre is not timid and he knows what he wants. As found on the same page of *Hansard* to which I referred previously he stated:

When I left home to attend this session of parliament I promised farming groups that I would press for early action in regard to acreage payments. They had asked me to do this.

More than a month earlier the Prime Minister had said he was going to do it. Apparently the hon. member for Moose Jaw-Lake Centre did not know about it.

Mr. Pascoe: I said "early payment".

Mr. Argue: Oh, he thought that the Prime Minister would do it but that he might wait too long. You will observe the determination of this man, Mr. Chairman. The Prime Minister says, "I will recommend it to parliament" and the hon. member told the farmers when he left home that he would press for early action with regard to acreage payments.

Mr. Pascoe: We get results.

[Mr. Argue.]

Mr. Argue: Is the hon. member in favour of paying it for the year that has been missed? That is what I should like to know. Let him stand up and in a clear voice tell the producers of western Canada that he is not only in favour of payment for the present year but that he is in favour of the Prime Minister recommending a payment for the year that has been missed.

We know what hon. members on the other side of the house think of themselves, Mr. Chairman. According to his own words the hon. member for Humboldt-Melfort-Tisdale thinks that you must be on the government side of the house or you are useless. That is what he said. He said that the former hon. member for Peace River, Mr. Solon Low, had been in the house for twenty years and had never got anywhere, and that all he did was to whine.

An hon. Member: What are you doing?

Mr. Argue: That is not right. The former hon. member for Peace River, with whom I disagreed on a great many occasions represented the people of his constituency in a faithful and conscientious manner in my opinion; and I think it ill behooves any member of the House of Commons to say of a man who has served this nation in parliament for 20 years that he was able to get nothing and that all he did when he was here was to whine. We have a distinguished member of this House of Commons who sat on the opposition side for a long time. The hon. member for Prince Albert sat in the opposition for a long time. He whined. He was probably the loudest whiner in the opposition. He whined day after day. He took the hide off the government time after time. He was a good member of the opposition. I think the Prime Minister was an effective member in the opposition.

Mr. Pearson: And he will be again.

An hon. Member: Self-delusion.

Mr. Argue: I think it ill behooves hon. members opposite to try to paint a picture indicating that if you sit on the right of the Speaker and are a Tory, you can get everything done. Who knows, Mr. Chairman, but that the hon. member for Prince Albert might once again in the near future sit on this side of the chamber when he would be obliged to revert to whining again from a bench on the opposition side. The hon. member for Humboldt-Melfort-Tisdale apparently is not satisfied that there are 47 Tories in the 48 ridings in the three provinces. He apparently wants a one party state.

Mr. Rapp: Ask the people of Saskatchewan?

Mr. Argue: He wants them all of one political stripe. I may tell him that I am pleased that in our best democratic system we not only have a government but an opposition and I hope we shall always have a good and effective opposition in this House of Commons.

Mr. Rapp: That is what the people of Saskatchewan did.

Mr. Argue: We should like to know from these self-appointed champions what they think about the year that was missed. Let us double the estimates. Let us not have the Prime Minister face an electorate who will say, "You are inconsistent; you gave us valid reasons in 1958 for payment and you gave us valid reasons to make a payment for 1959. What is wrong with a payment for 1961? What happened?" Mr. Chairman, only one thing has happened, apparently, and that is the government's getting closer to an election. Hence they are going to pay it but they are not going to make it permanent by presenting legislation to the House of Commons. They are going to do it by an item in the estimates.

An hon. Member: Before the election.

Mr. Argue: I ask the government, I ask the Acting Minister of Agriculture why he does not recommend to the House of Commons legislation to place this provision in the statute books. By so doing he would save the Prime Minister a great deal of embarrassment. A great many people are going to think this is a payment for an election that is about to come up from a Prime Minister who is so inconsistent that he will not bring forward an item to pay the producers for a year ago. I suggest that the government can be accused of inconsistency. I suggest that the government can be accused of doing this for political purposes.

Mr. Grafftey: The people are not as cynical as is the hon. member.

Mr. Argue: The government has a way—an honourable one, and one in keeping with parliamentary democracy—in which to do this, namely to have the item placed in legislative form. How often has the Prime Minister from this side of the chamber said to the former government that they should not try to legislate through items in the estimates. How often has he said that the way to treat parliament is to bring in legislation, place it on the statute books. Give the people of western Canada a feeling of real confidence that there will be legislation on the statute books and that the moneys will be forthcoming.

I challenge the government to do two things. First, I challenge them to recommend payment for the year that has been missed. Second, I challenge the government to bring in legislation. Then they can boast about consistency; then they can boast about a policy of greater permanency. They have overlooked the producers; and the government's 47 members from the west are silent on the question of the year that has been missed. We would like to hear from them as well as from the Acting Minister of Agriculture.

Mr. Horner (Acadia): Mr. Chairman, in rising to speak on this particular item of the estimates I think I should first of all say something about the need for it. In the last year western Canada has gone through an exceptionally dry period. Some may not realize, and I know it is hard to do so, just how dry it can get. In western Canada we experienced some dry years in earlier periods and the last year compares well with them. In fact, many oldtimers in the area say that the last year was the driest they ever experienced.

In my particular part of the country there was no grain whatsoever and very little hay, and a lot of feed had to be shipped in to feed the cattle. Just to give hon. members an idea of how dry it was, the farmers in my particular region were cutting hay with diskers. That may be hard to realize but it is a fact. That is how short the crop was. I point this out, Mr. Chairman, only to indicate to hon. members that there is certainly a need for these acreage payments.

Western Canada suffered not only a feed shortage but also a water shortage. Manitoba and Saskatchewan brought into operation water pumping facilities to pump water to livestock. Alberta went so far as to implement a water pumping scheme but only to pump water to towns. Under the Prairie Farm Rehabilitation Act facilities were provided in order to fill up dugouts that had been dry for the past three years. Western Canada faced a very difficult year, one which would have been much worse if it had not been for the devaluation of the dollar by the government.

We all know that last year there was a great deal of worry about the cattle market because trucks loaded with cattle were lined up going into Winnipeg. Some members felt that there might be a glut of cattle on the market and prices would go down. One can look at the export statistics and see that as soon as the dollar was devalued our cattle started to move across the line to the United States. This not only saved the livestock producers of western Canada but it did a lot for Ontario and Quebec farmers. After all, I come from the province of Alberta which is widely known to have great numbers of cattle

but it is second among the provinces in that regard. The government stepped in at a crucial time, devalued the dollar and helped the livestock producers to get out of this difficulty. To a great extent the government rescued the mixed farmers of western Canada.

There was also a condition which created a scarcity of feed. At one time Saskatchewan farmers came into the irrigated areas of Alberta and forced the price of hay up to $30 a ton. This happened because of the demand for hay and the fear that there was not going to be any hay to bale. The Alberta and Saskatchewan governments accepted the federal minister's proposal with regard to freight assistance on feed. It was realized that feed could be shipped into these dry areas and sold for less than $30 a ton.

This action in effect put a ceiling on the price of hay. Hay was available in the northern areas of Alberta and the irrigated areas of southern Alberta and could be moved to the buyers at a very small cost. This action went a great way towards saving the livestock industry.

I have no hesitation in supporting this item now before us. I think it will fill to some extent the gap that perhaps has not been covered fully by the other measures to which I have referred, the devaluation of the dollar, the water pumping facilities and the freight assistance on feed.

Western Canada, as I said, faced a difficult year and came through it in relatively good condition. The optimism in western Canada is high today. Why is this so after facing such a difficult year? Because the people of western Canada realize that all through the difficult months of last summer the Minister of Agriculture was on his toes prepared to help and demonstrated to the full his preparedness to help in a difficult time. The minister was not idle abroad. He went out and sought and found markets and convinced the cabinet that these markets should be filled even if we had to sell the grain on credit. This is a very important point because for years farmers and farm groups in western Canada have been asking the federal government to sell a little more grain on credit.

The late Jimmy Gardiner was mentioned, the former minister of agriculture. Although he was an ardent fighter for western Canada, he never did gain the support in cabinet of the hon. member for Essex East. If the hon. member for Essex East had been as ardent a spokesman for the farmers at that time as he is today, he would have given the late minister some help in convincing the former government that some grain should be sold on credit.

In the last year alone approximately $100 million worth of grain has been sold on credit.

[Mr. Horner (Acadia).]

This will give hon. members some idea of what this means to the farmers of western Canada and certainly they are grateful for it. They realize that they had a dry year with poor crops in 1961 but were able to sell whatever grain they could harvest and grain they had carried over from previous years. The fact that they were able to sell the grain they had carried over gave them a cash income that they would not have realized if we had not had a minister of agriculture who went out and sold grain and convinced the cabinet that Canada should sell grain on credit. The minister put forward a tremendous effort and moved this grain. This has done a great deal to help to improve the mood of the people of western Canada as they face another year with the hope that there will be more snow this winter and more rain and that things will more or less return to normal.

For the first time since 1952 quotas have been removed. A few years ago those same farmers who could grow nothing this year were realizing that surpluses were their biggest headache. They were afraid of a surplus in cattle. The hon. member for Assiniboia tried to convince us that if we forced the farmers into more livestock production there would be a surplus of cattle. This was the kind of talk that built up fear amongst the farmers in western Canada. Today, we have a Minister of Agriculture who has proven he can sell wheat. We have the markets. We have proven that we can get cattle into the United States market because we have a government that will act. We have captured the faith of the people in western Canada. They know that we are behind them and that their plight is not going unnoticed.

Now, these are very important considerations because I come from a part of the country which is known as the "next year country". When you felt no one was aware of the situation in this part of the country you looked forward to the next year with a certain amount of reluctance, a certain amount of hesitancy in so far as planting a crop is concerned. I can say, Mr. Chairman, that the farmers generally are prepared to go ahead. For the first time since 1952, they realize that they can sell grain if they can grow it. The Minister of Agriculture has told them to produce more livestock if they can, and they are prepared to do so. I was pleased to hear the hon. member for Welland say the other night that he supported this measure. I was pleased to hear that because last Friday afternoon I listened to the hon. member for Essex East and I could not determine whether he was for it or against it. I listened to him all afternoon. He had a difficult time expressing himself about farm

problems, but I must congratulate him because he was probably doing the best he could at the time.

Today and on Friday, Mr. Chairman, we heard very little comment on the deficiency payment scheme which was blasted at us in the house in 1958. Those who spoke skipped over it rather lightly. I think it has been proven that this present measure affords the most farmers some help from the federal government. I believe most people, even the hon. member for Assiniboia, is convinced of this fact. They realize that in a dry year such as western Canada experienced last year the farmers would not receive too much under the deficiency payment plan referred to by a great many people in 1958.

I realize that in 1958 a lot of people were convinced that perhaps the farm unions had something useful in this deficiency payment program, but the government wanted to make sure they were doing the right thing. This might have been some reason for not carrying out the plan in 1959. Certainly, in 1960 it was clearly stated that this scheme was similar to paying a dollar per bushel for wheat consumed in Canada. All the members of this house know the extent to which the farmers of western Canada lost during those years in which our wheat sold below the world price.

The last time these acreage payments were made there was some difficulty experienced because they were made on the permit book for the year previous. I recall that the hon. member for Essex East had a great deal of difficulty understanding the permit book set-up when we debated this matter last year. I happened to have a permit book in my office, so I showed it to him after the debate and I am sure the hon. gentleman was greatly enlightened. Many of the farmers had crops snowed under in 1959, so they did not take out a permit book that year. When the acreage payments were based on these permit books, a lot of farmers experienced a difficult time in obtaining a permit book in order to collect these payments. While we may have missed a year, we are bringing the program up to date. Anyone who has not taken out a permit book this particular year can apply for one, sell some grain if he is fortunate enough to have any, and collect the acreage payment.

This program is designed to help the small farmer who may have been hesitant about taking out a permit book in the previous year but who is entitled to one. I believe this is a good way of doing it. The hon. member for Assiniboia has pointed out that this government has been inconsistent. I have tried, Mr. Chairman, to point out where it has been consistent in helping the farmer, in recognizing the situation of the farmer in western Canada. If the hon. member feels the government has been inconsistent in making acreage payments, then he has only himself to blame because he strongly attacked this policy. Today, we find him in favour of this policy but demanding more money. At times on Friday I thought the hon. member for Essex East wanted more money. However, it seems he did not know whether to go ahead or to go back. He was something like a balky horse, making one plunge ahead and then jumping back. A team of horses pulling that way will never move a load very far.

I should like to point out that you cannot demand a balanced budget, as some members of the official opposition have been doing, and still ask for larger and larger payments under this program. Even the hon. member for Assiniboia was demanding a budget the other day, and I suppose if one had been introduced he would have wanted it balanced. He would have been trying to have his cake and eat it too.

There is just one other point I should like to put on the record and that is with regard to credit assistance in western Canada. I should like to compliment the minister for revamping the Farm Credit Corporation. I should like to advise other members through you, Mr. Chairman, that this program has worked to the tremendous advantage of the small farmers in Saskatchewan, and particularly in Alberta. I have every confidence that this program will continue to serve these farmers in western Canada, and throughout the whole of Canada for that matter. There has been some talk about the rest of Canada being left out of federal assistance. I should like to point out to those members who feel that way that western Canada exports very little butter. Ontario and Quebec receive most of the assistance from the butter support program which represents the other large subsidy being paid by the federal government.

In addition there are those members who feel this support was wrong. The hon. member for Leeds spoke at great length about this the other day, by suggesting that, but he is only hurting the farmers for whom he speaks. We have placed added revenue in the pockets of the farmers by our support of butter prices. I think I have taken up enough time on this particular item and I thank you, Mr. Chairman.

Mr. Pearson: On rising to take part in this discussion. I should like to join with other members who have expressed their regret at

the fact that illness has prevented the Minister of Agriculture from being in his place during the debate.

We all, of course, wish him a very speedy and complete recovery. Perhaps I might also take advantage of this opportunity to thank the minister for his kindness and his courtesy on the sad occasion of the death of our colleague, Mr. Gardiner, in Saskatchewan, by making transport available for some of us on this side of the house to attend the funeral. As the hon. member for Assiniboia pointed out, it was on that occasion the minister contracted the chill which has kept him indisposed since that particular day. We appreciate all he did on that occasion. We have criticized the minister in this house for some of the policies he has adopted. We are criticizing him today and we shall criticize him in the future but, we acknowledge his characteristic kindness on that occasion.

I venture to say a few words on this item because, among other reasons, there was some reference last Friday to the fact that I had not participated in this debate of such importance to western agriculture and, indeed, that I had not said anything about agriculture in my address on the reply to the speech from the throne. I certainly would not want to disappoint hon. gentlemen opposite, and especially I would not want to disappoint my hon. friend from Essex East who gave the committee an assurance that I would participate. He also gave me some good verbal advice as to what I might say.

Mr. Starr: Oh, no.

Mr. Pearson: It is very interesting to note, Mr. Chairman, that when it was suggested opposite I should participate in a debate on agriculture the scope of that debate—and I am not complaining about it—was at once limited by your decision to the particular item of acreage payments. For that reason it is very difficult, under the terms of your ruling, to deal with the speech from the throne and with agricultural policies that might have been based on it.

Perhaps I might be permitted to say that when I did take part in that debate I remarked that agriculture was dealt with in a very cursory way and that we intended to deal with other facets of the subject as the debates proceeded in this session. I now have the opportunity to deal with one aspect of agriculture, acreage payments. I would point out, however, that in the debate on the speech from the throne I dealt at some length with one matter which is of the greatest possible importance to agriculture, that is, the widening of our trade opportunities and the removal of obstructions to trade in face of developments occurring in Europe and other parts of the world. Nothing could be more important to the western farmers and Canadian agriculture generally.

My hon. friend from Acadia, who has just preceded me, in the course of his interesting observations expressed the view that it was difficult to follow the position of the official opposition in their attitude towards this particular item in the estimates. He also said that the hon. member for Essex East spoke about this matter in such a way that it was difficult to find out whether he and the party for which I am now speaking were in favour of the item. He could not have been listening very carefully because if he reads page 261 of *Hansard* for January 26, 1962 he will find that the hon. member for Essex East said, "We give support to this measure." Surely that is clear enough.

Mr. Horner (Acadia): He must have clouded the issue as he went along.

Mr. Pearson: I am on my feet at the moment to confirm that particular declaration of support. We presume that this item in the estimates, and I should point out we are proceeding with this matter by an item in the estimates and not by legislation, though it is very difficult to find evidence to support the presumption, is designed to carry out the sentence in the speech from the throne which reads:

> The drought in the prairie provinces during 1961 has resulted in severe losses, however, and you will be asked to provide assistance by means of acreage payments to the farmers who have been affected.

It is perfectly clear, as has been pointed out by some other speakers from this side of the house, that this is not an item designed to carry out the pledge in the speech from the throne. This is an acreage payment item for income maintenance without any specific relevance to drought conditions. If this is the only measure to be brought forth by the government to deal with that proposal in the speech from the throne, then it is completely inadequate for the purpose and, indeed, is not specifically designed for that purpose at all. I do not think it will deceive farmers who have suffered from drought, for the reasons I have just mentioned.

It will of course, be welcomed by those farmers who qualify to receive it but it has nothing to do with the drought as a special, and in places, a tragic situation for certain western farmers. The reason for that is obvious. It has been pointed out by other speakers that this acreage payment will be paid, on exactly the same basis, to all farmers who qualify, whether on the acreage in question they produced no wheat, or whether they produced an above average crop of wheat on

their particular 200 acres, whether they produced wheat for sale and tried to sell it, or whether they produced wheat for feed and did not try to sell it.

To describe this particular proposal, which is one of income maintenance applying to all farmers who qualify, as a drought relief measure such as is described in the speech from the throne, is to say the least misrepresentation.

I believe it has been pointed out by some speakers that those farmers who particularly suffered from drought, and who need special assistance, would get that assistance under a piece of Liberal legislation known as P.F.A.A. I would ask the Acting Minister of Agriculture when he winds up this discussion to tell me if I am not correct—and if I am not correct, I am sure he will tell me—whether there has not been a greater amount of money given to farmers on storage payments under legislation introduced by the previous government than has been paid out to farmers on these acreage payment items in the estimates.

We have another criticism of this measure. This has already been made by speakers on this side of the chamber and I am not going to spend very much time repeating it. We criticize this measure because it is not a cure, it is a palliative. It is not based on any principle which could be applied to all producers in the future who operate under the same conditions. It is an expedient; it is ad hoc legislation brought in by the government at a particular time when the government may desire to do it—and at this particular time they are doing it on the eve of an election.

It certainly does not begin to carry out the principles and the policies so often laid down by the Prime Minister for parity, not charity and for the necessity of doing something to meet the cost-price squeeze.

Mr. Bell (Carleton): Mr. Chairman, what alternative does the hon. gentleman suggest?

Mr. Pearson: When the time comes we will have some very good suggestions to make, and—

Mr. Bell (Carleton): When?

Mr. Pearson: —on which to base agricultural policy; not on ad hoc expedients but on principles of general application.

Som hon. Members: Hear, hear.

Mr. Bell (Carleton): Would the hon. gentleman tell us tonight what they are?

Mr. Pearson: Mr. Chairman,—

An hon. Member: The secret weapon.

Mr. Pearson: Mr. Chairman, there are also circumstances attending the introduction of this item in the estimates—this has also been pointed out—that are unusual to say the least. We all recall that when the Minister of Agriculture was out west last November he expressed regret that it would not be possible to make any acreage payments to farmers during the year 1961. He did not base that regret on solid, constitutional reasons, that the item had not been passed, that parliament had not been asked to deal with it. That would have been, if not a satisfactory explanation, a very complete one. He based the reason for the delay in payment on the fact that the cheque-writing machines were overworked and they were busy on other duties at the time. Therefore any payment to be made would have to be made in the new year.

The reason, of course, why he postponed giving anything but a negative announcement on this occasion was that this was to be left to the Prime Minister who, when he was out west on December 13, made the announcement himself in Prince Albert that somehow or other the cheque-writing machines would be all in action again at the beginning of the year, that the House of Commons would be asked to pass this estimate and it would be made available then for those farmers who qualified for it.

There is another very interesting aspect to the background of this legislation. The Minister of Agriculture, in dealing with the reduction of our surplus grains—and we are all very glad to see those surpluses reduced, Mr. Chairman—said the conclusion could be drawn from the fact that our surplus had been so reduced that it might be unwarranted to increase acreage for wheat in the coming wheat. As evidence of the fallibility of human judgment it was only about a year ago when the Minister of Agriculture was going around the west pleading for farmers to increase their acreage of wheat, and indeed the Acting Minister of Agriculture made the same suggestion when he spoke on this matter last Friday.

Mr. Harkness: I did nothing of the kind.

Mr. Pearson: Mr. Chairman, I expected the minister to say that, so I had better read him back his reference.

Mr. Harkness: Yes, read it back.

Mr. Pearson: This is on page 245 of *Hansard*. Let us just recall the background for a moment, the statement of the Minister of Agriculture warning farmers against increasing their wheat acreage because the surplus had been reduced and if there happened unfortunately to be another bad year

this year—a drought, for instance—it might be difficult to meet all the commitments which were coming up. That perhaps was a very desirable warning. But in the face of that the Acting Minister of Agriculture said on January 26, at page 245 of *Hansard*:

> Nevertheless a system of assistance which would considerably encourage the production of certain of these grains and cause a move away from a more diversified type of agriculture in western Canada would be a step in the wrong direction.

Mr. Harkness: That is correct.

Mr. Pearson: So the ministers had better get together on this. The acting minister had better get together with himself. The hon. member for Acadia who has just resumed his seat has something to say about the fact that the previous government had never taken any steps to sell grain on credit abroad. The hon. member was not here at the time, or perhaps he would remember—some of my hon. friends on the front bench should remember—that there was a grain agreement made with the Soviet union a good many years back.

Mr. Horner (Acadia): How many million bushels?

Mr. Pearson: It was a very good agreement, under which we sold grain to the Soviet union on credit, more grain on credit than is being sold now under the revised agreement.

Mr. Horner (Acadia): Would the hon. member permit a question?

Mr. Pearson: We also had credit agreements with Poland, and I think with Czechoslovakia.

An hon. Member: A point of order.

Mr. Horner (Acadia): He is too chicken to permit a question.

Mr. Drysdale: I thought the Liberals had the answer.

Mr. Horner (Acadia): You know how badly the answer would show you up.

Mr. Pearson: Mr. Chairman, the hon. member does not seem very aware of the facts of this situation. Hon. members may also recall that grain was disposed of before the present government came into office under counterpart arrangements under the Colombo plan treaty. Therefore to say that no arrangements had been made by the previous government to extend credit to the purchase of grain is completely wrong, to say the least.

Mr. Horner (Acadia): I did not say you never sold any grain. I said you never sold any amount of grain on credit.

Some hon. Members: Sit down.

[Mr. Pearson.]

Mr. Pearson: The hon. member will have the opportunity of reading his own speech of this evening in *Hansard* and he will see that I am correct.

Mr. Chevrier: He would not understand it anyhow.

Mr. Pearson: The hon. member, having raised this question of trade agreements under which grain has been sold, may also be interested to know—there has been so much misrepresentation on this question that I should refer to it, Mr. Chairman, as he and other hon. members have raised it—that it was many years ago that we on this side of the chamber took the stand that anything that could be done to sell our surplus food commodities to any country of the world would be a desirable policy. I have before me clippings going as far back as—

Mr. Horner (Acadia): Mr. Lamontagne never put the answer in your speech. That is my trump card.

Mr. Pearson: I did not interrupt my hon. friend, and perhaps he will sit down quietly.

Some hon. Members: Order.

Mr. Pigeon: The secret weapon.

Mr. Argue: Order for the government members also.

The Chairman: Would hon. members allow the Leader of the Opposition, who has the floor, to continue.

Mr. Bourget: It is about time.

Mr. Pearson: I was about to say before I was interrupted by my hon. friend opposite, who was allowed to speak without interruption, a courtesy which is not always extended to us on this side of the chamber—

Some hon. Members: Hear, hear.

Mr. Pearson: —that these statements have misrepresented and distorted our position, which has been the position on this side over the years, that anything that can be done to dispose of our food surpluses to any country in the world, irrespective of its government, is a good thing to do. Any statement to the contrary distorts, misrepresents and denies the policies we have adopted consistently. This can be proved from the record—

Mr. Horner (Acadia): Would the hon. member permit a question?

Mr. Pearson: Why, of course.

Mr. Horner (Acadia): The hon. gentleman said that the position of the Liberal party was that anything that could be done would be done to dispose of food surpluses. Why did

the Liberal government not take action to remove the embargo placed on cattle going into the United States before 1947?

Mr. Pearson: Mr. Chairman, I am speaking about grain surpluses and now the hon. member—

Mr. Horner (Acadia): The hon. member said food surpluses.

Mr. Pearson: The hon. member now rises—

Mr. Horner (Acadia): The hon. gentleman referred to food surpluses.

Some hon. Members: Sit down.

Mr. Pearson: The hon. member for Acadia who seems a little disturbed at the moment now rises and asks me why I did not do something about the cattle embargo in 1947 at a time when I did not have the honour of being in the government.

I wish to clear up one point—and I have lots of evidence to support it—in the hope that this will be the end of these misrepresentative statements that emanate from the other side of the house in respect to our attitude toward the sales of surplus food to any country in the world to which we can sell this food. Of course we are delighted when our wheat, barley and food products generally find their way into any market of the world, communist China or any other market of the world—

Some hon. Members: Oh, oh.

Mr. Horner (Acadia): The other day it was said to be treason.

Mr. Pearson: Mr. Chairman, it is extremely difficult to proceed with these continual interruptions which Mr. Disraeli once referred to as the harebrained chatter of irresponsible frivolity.

In view of the fact that the debate has ranged so far and wide on this matter I thought this would be an excellent opportunity to clear up this question once and for all. It is a fine thing to see our wheat surpluses going into the markets of the world It is, of course, a cause for some preoccupation when we lose our traditional markets, when they are diminished. We cannot always count on starvation in communist countries to take care of our surpluses and that is why we have been fortunately able to move those surpluses into those countries at this time.

If my friend the hon. member for Acadia and other hon. gentlemen opposite will look at the export returns for the first nine or ten months of this year they will be happy, as we are happy, to see that there has been an increase in food exports. They will not, I am sure, be so happy to realize that that increase is not in our traditional markets. If my figures are correct, and I think they are, 70 per cent of that increase is with respect to communist countries and Cuba.

Mr. Horner (Acadia): So that leaves a 30 per cent increase to the traditional markets.

The Chairman: Order. We are now in committee. I would ask all hon. members to cooperate so that the hon. member who has the floor may proceed. If any hon. gentleman has observations to make he may rise and do so when he is given the floor.

Mr. Pearson: This increase is welcome, Mr. Chairman, because it reduces our surplus stocks of food, but one cannot help feeling anxiety arising from the fact that we cannot count on the continuation of exports to communist markets which have taken our goods because their people have been starving.

We on this side have complained, I think justifiably, that whereas, when we made an agreement with the Soviet union in regard to the export of food and other products all the details and the full terms of that agreement were made public and laid on the table of this house, we do not know even yet the terms of these agreements, letters of intent or contracts to which reference has been made. As I think this question is related to this item, it would be extremely helpful if the Acting Minister of Agriculture, before the debate on this item is concluded, would give us all the details of these contracts that have been made and which have resulted in the reduction of our surpluses and the increase of our wheat exports.

Mr. Harkness: That has nothing to do with the item under consideration.

Mr. Pickersgill: The acting minister does not want to hear it.

Mr. Pearson: I will admit this has not very much to do with the item under consideration but I ask my hon. friend who brought up these matters?

Mr. Harkness: The colleagues of the Leader of the Opposition raised these questions.

Mr. Pearson: Perhaps I may conclude, Mr. Chairman, by repeating this one thought which did not seem to have made an impact on hon. gentlemen opposite when the hon. member for Essex East made the statement. We will support this item in the estimates as a measure of relief to farmers who deserve it. We deplore the fact that this kind of relief has to be given in this way through ad hoc items in the estimates brought in for a particular purpose at a time that seems most satisfactory to the government. We feel that this kind of thing should be based on principle and, when the time comes, we will bring in

the type of legislation which will base it on principle and which will be much more satisfactory to our agricultural producers than anything the present government has done.

Mr. Regier: Mr. Chairman, I should like to direct a question to the Leader of the Opposition. Does the hon. gentleman agree with the basic principle expressed the other day by the hon. member for Burin-Burgeo which I took to be that we ought to be very careful, when we sell our wheat, that we do not also sell our freedom?

Mr. Pearson: In answer to that question, Mr. Chairman, I would say this. We should be extremely careful to do nothing that would sell our freedom. We export for our own benefit primarily rather than exclusively for the benefit of the receiving country. With all respect to any other hon. member I do not think that in selling our wheat to countries which need our wheat we are selling our freedom.

Mr. Smallwood: Mr. Chairman, I had not planned to take part in this debate relating to an item of assistance to western grain producers in the amount of $42 million but after listening to apostle Paul and his ardent disciple from Assiniboia, last Friday and this evening respectively, I feel compelled to rise at this time. My determination to speak is given added weight as a result of the remarks we heard this evening from the lips of the Leader of the Opposition, the leader of this grand new party. After listening to his views on agriculture I feel it necessary to deal with some of the arguments that have been presented to the committee.

The matters raised by the hon. member for Essex East are easily answered. I propose to ignore them. After all, the hon. gentleman does not know anything about agriculture. As for the hon. member for Assiniboia, I shall deal with him a little later on.

It is small wonder that the Leader of the Opposition participated in this debate. He did so because the Liberal party is completely embarrassed by what the Conservative government has done for the Canadian people in the last four years.

I have before me some significant figures. During the last three years the Liberal government was in office it contributed to agriculture the total sum of $272,200,350. During the first three years the Conservative government has been in power it contributed to agriculture a total of $556,909,734.25. No wonder they are embarrassed. Hon. gentlemen opposite, to relieve their embarrassment and get themselves off the hook, are carping about a small item of $42 million being paid to western farmers.

[Mr. Pearson.]

The Leader of the Opposition indicated that the Liberals have a new agricultural policy which they will announce in due course. I hope the Leader of the Opposition will not take the advice of the Liberal party's adviser's Mr. Kent and Mr. Lamontagne, or we might have socialism in our farming industry.

The Leader of the Opposition spoke about P.F.A.A. The Liberals brought in P.F.A.A., he said. I will admit that the Liberals brought in P.F.A.A. but the Liberals used the P.F.A.A. in western Canada to distribute Liberal propaganda. The Liberals were more interested in spreading propaganda than in assisting the farmers of western Canada. Let hon. gentlemen opposite rise and deny it. They cannot do so.

Let me relate a personal experience. Back in 1953 a by-election was held in our area. There was a Social Credit and a Liberal candidate. I supported the Liberal candidate because I did not want a Social Crediter sitting here doing nothing. They sat here for 17 years without accomplishing anything. After the election was over I was invited to the P.F.A.A. school. About 100 of us were in the room. The superintendent rose and said, "You fellows are all good Liberals or else you would not be here today. Go out to the farmers and do not take more than nine claims. And while you are doing that, preach Liberal politics to the farmers." That was the position of that Liberal with respect to P.F.A.A. Let hon. gentlemen opposite stand up and deny it. I challenge any hon. member opposite to deny it. They cannot do so.

Mr. Drysdale: They have the answers, all right.

Mr. Smallwood: When the Conservatives came into power the scope of P.F.A.A. was expanded. More farmers are receiving assistance today under this measure than ever was the case before. Approximately $60 million will be distributed to farmers this year under P.F.A.A.

We heard the hon. member for Assiniboia make reference to the march on Ottawa by the farmers. What was the hon. gentleman's attitude to the march on Ottawa? The C.C.F. hired a brass band which played "Happy Days are Here Again".

An article in the Winnipeg *Free Press* describes the actions of the C.C.F. in this respect. It states:

> As delegates began to enter the station from the first train, C.C.F. members of parliament also outjockeyed the cabinet ministers for positions in what amounted to an informal receiving line.
>
> C.C.F. House Leader Hazen Argue commented to a reporter, "It's all good clean fun".

That was the attitude of the hon. member for Assiniboia. He complained that the Prime Minister visited only northern Saskatchewan—

Mr. Argue: You are wrong again.

Mr. Smallwood: —and that the Minister of Agriculture visited only a large farm in Saskatchewan. However, I drove through southern Saskatchewan this summer and I found that grasshoppers were jumping all over the place. I said to the station agent, "You are not getting much of a crop this year". He said, "We are used to it. We never get a crop here. But if we had a decent government in Saskatchewan they woud rehabilitate that land and take care of it as was done in Alberta".

We have another statement of the hon. member for Assiniboia when the Minister of Agriculture was appointed. It is as follows:

> The C.C.F. leader said he also is disappointed that the administration of the Canadian wheat board is to be dropped by the department of trade and commerce and to be taken over by the department of agriculture—
>
> Mr. Argue posed the question: Will the department of trade and commerce give up its interest in selling the grain and further greatly weaken necessary export markets for wheat, oats and barley?

We do not need to say more about that. The Leader of the Opposition gets to his feet and says that the people are hungry. But this government sent men across the country to sell that wheat. Today we have cleaned up the surplus in western Canada. I felt sorry for one of the Liberal members here today who was called to order. I refer to the hon. member for Kent, New Brunswick. He rose in his place and pleaded for his little farmers in New Brunswick, and well he might do so. I went through that country three years ago. Many of those little farmers down there are destitute. Here we have a Liberal member who had to wait in order to get a Conservative government to do something for them. These people are going to get help from this government. We have a rehabilitation act coming into operation. It is a long term matter. These little farmers will be receiving help over the years not from a Liberal government but from a good Conservative government.

Mr. Drysdale: That is the Liberal answer, "Let the Conservatives do it".

Mr. Smallwood: We remember what started all the difficulties in western Canada.

The hon. member for Bonavista-Twillingate probably wants to start fishing or something now, I suppose.

Mr. Pickersgill: If the hon. member would give me a chance to do so, I should like to talk about fish.

Mr. Smallwood: It would be nice to hear the hon. member talk about something he knows something about for a change. Back in 1946, when the Liberal government signed the wheat agreement, it cost the farmers in western Canada millions of dollars. What did our friend from Assiniboia say then? As reported in *Hansard* of August 15, 1946, at page 4839 the hon. member for Assiniboia said this:

> I agree with the leader of this group (Mr. Coldwell) who stated that we in this party welcome the agreement.

A little farther on he said:

> I welcome the wheat agreement.

He betrayed the farmers of western Canada. He sold them out. Now he comes to this House of Commons and wants us to subsidize them for what was done then.

Mr. Argue: We are only a little group.

Mr. Smallwood: We will ignore that remark.

Mr. Argue: Just a splinter group.

Mr. Smallwood: We know where it comes from. It is like getting kicked by a mule. Let us consider where it comes from and forget about it. Surely on an item like this, Mr. Chairman, we can stop this foolishness of trying to talk politics. Let us pass this item. It is what the farmers of western Canada need. They need acreage payments up to the 200 acre maximum. I am sure that every western member is in favour of it. I know they would like to see this legislation put on the statute books so that it is established on an annual basis for the farmers in lieu of the two-piece system. We get opposition every time we bring it in. The opposition parties want to make hay.

I do not wish to take up any more time, Mr. Chairman, and I thank you for the opportunity accorded to me to express my views.

Mr. Gundlock: It is always with humility, Mr. Chairman, that I rise to speak in this House of Commons, particularly when I follow the Leader of the Opposition and at a time when so many remarks have been made about an issue with which I wish to deal.

I should like to place on the record at this time the statement that I heartily support this motion. Through you, Mr. Chairman, I should like to put on the record some remarks that in my opinion have not been made as yet. The Leader of the Opposition is a man whom I respect greatly and whom I hesitate to follow and to criticize because I am a farmer. I farmed in the dirty thirties, in the dirty forties and in some of the fifties and I still am a farmer.

There is one point that I think this committee and in fact the Canadian people should be reminded of. In speaking in support of this measure, one that is part of an over-all policy, I feel sincerely that there is one thing that should be put on the record. I have reference to some of the work behind the scenes. When I say that, what I mean is simply this. A few moments ago the Leader of the Opposition said that they counted on markets. Through you, Mr. Chairman, I should like to remind hon. members that this government has not counted on markets. They have done something about them. As I said before, the acreage payment is part of an over-all government policy. The thing that I should like to reiterate and put on record in reference to the agriculture economy of Canada is simply this. Much hard and sincere work has been done by this government. As a farmer I am proud to be here and to have an opportunity to speak in support of this measure.

You may recall, Mr. Chairman, when only a few short years ago—four or five years ago, as a matter of fact—in reference to wheat, our customers abroad in particular were giving us some trouble with regard to accepting purchases from Canada. When cargoes reached their destination there were often complaints and rejections for various reasons. When ships reached their destinations the cargoes did not measure up to the samples so far as quality was concerned. The reason for this was that cargoes were often contaminated by oil, coal dust or other foreign objects. The holds were not cleaned and in addition there were germs and insects in the cargoes. Something had to be done about it and the result was what we commonly call quality control.

You may think I am straying a little, Mr. Chairman, but this is all part of the same policy. I want to emphasize the work that has been done behind the scenes by the government. I should like to pay tribute to the former minister of agriculture because I know he did a great deal of work along this line. In fact, as a result of the work of the former minister we are assured now of satisfied customers almost universally. It was not easy to bring this about. Comparing the situation today with that prior to 1957—I need say no more as to dates—when our customers today receive a sample of our wheat and other export products as well, as a matter of fact they can rest assured that the cargo will be the same as the sample. Quality control is the answer.

What did this mean? It meant legislation and a great deal of work behind the scenes. As I said before, I should like to pay tribute to the former minister of agriculture in this regard. I had not heard any reference to this point during this debate and there was very little I wished to say, but as far as I am concerned this is a great achievement because a satisfied customer is the best type of customer, particularly when he repeats his order. The reason why our customers are repeating their orders is that they can depend on the quality of Canadian products, not only agricultural products but every other product. The holds of ships have been thoroughly cleaned and for the first time our customers can be assured that the cargo will reach them in first class condition, whether the cargo be wheat, other types of grain or any other commodity. In other words, for the first time in history Canadian salesmen can go abroad and lay a sample on the table, and the customer can be assured that the product when delivered will be of the same quality as the sample. I think this fact should be recognized by hon. members opposite and the Canadian people generally and that is why I put it on the record.

With all deference and with great respect, as I said before, I should like to remind the Leader of the Opposition that we have not just counted on business but have been working for it. We have not counted on markets. I should like to join in complimenting the present Minister of Agriculture for the work he has done. Certainly no one can criticize his salesmanship. Unfortunately he is ill at the present time. This year we have sold 354 million bushels of wheat and flour and for this he should be commended to the utmost.

As a real farmer and having regard to parity of income I support to the utmost this measure making provision for acreage payments. Hon. members opposite can talk about business. I think I can talk about business as well. We all love election campaigns. I can recall that during the 1957 campaign certain people said, "You are a farmer, but what do you know about business"? All I could do was to remind them that any farmer who had his head above water financially at that time must have been a good businessman.

I rose with great humility to add my support to this measure and to remind hon. members and Canadians generally that such measures are not what they are said to be in certain quarters. This measure is part of an over-all policy. Actually it goes further than that. It represents co-operation among all segments of our nation because without the support of the eastern members the western members could not get very far. We appreciate the fact that all segments of the Canadian economy support this measure.

Finally, I should like to recall to hon. members the co-operation between the federal and provincial governments that has brought all this about. Certainly we can look forward in the very near future to much greater benefits from the policies of the present government.

Mr. Nasserden: Mr. Chairman, the item under consideration was not unexpected by western grain producers. The Prime Minister has compared it with the acreage payment made in the fiscal year ended March 31, 1959, and that made in the fiscal year ended March 31, 1961. I should like to quote from *Hansard* for August 30, 1958, page 4347. The Prime Minister was speaking and this is what he had to say:

> —farm organizations over the years have contended that the Canadian consumer has been getting wheat too cheaply. Just as other producers expect a fair market price for their goods, so the Canadian wheat producer should receive a fair price for the wheat sold in the domestic market. That has been the general contention through the years.
>
> Over a seven-year period the average domestic human consumption of wheat has been 45 million bushels. This is only 10 per cent of the total annual disposition of western wheat. An increase of 50 cents per bushel in the price of wheat for domestic consumption would be reflected in an increase of only 6.5 cents per bushel on the basis of total marketings. To achieve this would require a contribution to be made by parliament to the wheat board, or it would result in an estimated increase to the consumer of 2 cents per loaf of bread. Such a contribution would amount to a figure considerably lower than that which is proposed for this year only—

He went on to say:

> This amount, which is designed to meet the needs of the small farmer, will be distributed by the Canadian wheat board to producers on the basis of one dollar per specified acre, including acreage seeded to flax, up to a maximum of 200 acres.

In the estimates for the period ending March 31, 1961, vote No. 576 of the supplementary estimates for that year, the payment was described as follows:

> Payment of an amount, as a higher return for wheat used for human consumption in Canada, to western grain producers to be distributed on the following basis, namely: $1 per cultivated acre up to a maximum of 200 acres per farm in accordance with regulations of the governor in council.

The amount was $42 million, the same as it is today. The severe drought in some areas of the prairies is a matter of concern to all of us. It emphasizes the income problems in western Canada. However, acreage payments can hardly be considered crop failure payments. Members from western Canada have no intention of being drawn into that position by the opposition.

In order to deal with this matter effectively, it is necessary to recall the circumstances under which this party came into office in 1957 and again in 1958. The situation in western Canada was desperate. During the preceding decade, a surplus of over 700 million bushels of wheat had been allowed to accumulate. Our country and terminal elevator systems were congested. Rigid quota regulations were necessary to ensure some equality of opportunity for delivery to country elevators. Elevator companies were forced into costly temporary and semi-permanent building programs in order to service a limited quota. Parliament found it necessary to establish the Temporary Wheat Reserves Act. The St. Laurent-Howe administration reduced the initial price for oats by five cents per bushel. This was another indication of the negative attitude that was developing at that particular time.

After the final settlement of the famous "have regard to" clause in the grain agreement with Great Britain, government policy drifted from one of selling to one of storing grain. During that period the bootleg trade of grain to feed mills, feeders and businessmen developed rapidly. This trend was accentuated by the failure of the St. Laurent-Howe government to adopt a policy of cash advances on farm stored grain. The sale of grain outside the Canadian wheat board was often completed allowing substantial discounts which were lost to the producer forever.

At that time, western Canada was represented in parliament by a strong opposition. The province of Alberta was represented almost entirely by Social Credit members led by their leader, Solon Low. The provinces of Manitoba and Saskatchewan sent large numbers of C.C.F. members led by their national leader, M. J. Coldwell, and strongly supported by Hazen Argue and Stanley Knowles. In addition to these members, the opposition could claim John Diefenbaker, Gordon Churchill and Douglas Harkness, all from the prairies. The government was represented by a numerical minority from the prairies. These Liberal members were led by the late Right Hon. James Gardiner and by Walter Tucker. There were some outstanding men among their numbers. Their impact on the large government majority from other parts of Canada was almost negligible. Indeed, the experience of my immediate predecessor in office on the question of cash advances revealed the extent to which party discipline had destroyed the effectiveness of parliamentary representation under the St. Laurent-Howe regime. The cash advance question was also vigorously advocated by the opposition, but without success.

After the election of 1957, the Diefenbaker administration effected a system of cash advances on farm stored grain. This relieved

some of the pressure on the farm cash position. It should be pointed out that cash advances were only an emergency measure. They became necessary only because of the continued failure of the St. Laurent-Howe government in its efforts to sell grain. The attitude of the Diefenbaker administration in 1957 and early 1958 encouraged the people in western Canada to reinforce his representation from the prairies. They did this despite the promises of Pearson and the Liberal party. They ignored the regional cry of the C.C.F., "Fight for the west."

The Diefenbaker administration faced a mammoth task when it took office in 1958. The decay that had set in during the latter days of the 22 year tenure of Liberalism was widespread, and overlapped into almost every department of government. The Hon. Douglas Harkness was appointed minister of agriculture. It required almost two full years to effect the reorganization of the Department of Agriculture and to clear the way for legislation that might come to grips with the serious problems that required solution. The backlog of legislation requested by farm people was considerable and included farm credit arrangements, crop insurance, conservation, and the ordinary modernization of statutes already in effect, many of which had not been looked at since they were first placed on the statute books several years before.

It is small wonder, then, that farm people were impatient. They had waited a long time. The record of the previous Liberal government with regard to promises had been most frustrating. Thus it was that the "On to Ottawa" delegation was organized. The deficiency payments controversy was born. This government led by the Right Hon. John G. Diefenbaker, was not stampeded. This government made its decision.

The debates leading to that decision are a matter of public record. The record of the opposition groups cannot now be erased. The hon. member for Assiniboia chose to ignore the plea for a positive solution. He advocated an outright handout, a handout that would have aggravated our wheat surplus.

Mr. Argue: You are wrong again.

Mr. Nasserden: This handout would have encouraged the trend to larger farms and would have cost the treasury of Canada over a billion dollars.

Mr. Argue: Wrong again.

Mr. Nasserden: His attitude was clearly stated on April 23, 1959, as recorded at page 2973 of *Hansard*. I quote:

> Western Canada today is being betrayed by members of parliament of the Conservative party who represent them, in that they are opposed to the legitimate requests that have been made by the mass delegation.

In reply to that I said, as reported on the same page of *Hansard*:

> No one has betrayed the western farmer more than those who during the years, not only this session but in past parliaments for the last 10 or 12 years, have taken stands in parliament that were so far from what the western Canadian farmer wanted that they engendered ill will from the other parts of this nation.

Mr. Argue: Silly talk.

Mr. Nasserden: The Liberal party, with its laissez faire outlook has consistently taken a negative stand on this matter. Their friends in Saskatchewan have been advocates of acreage reduction. The hon. member for Assiniboia, representing his party, has just as consistently advocated deficiency payments and he reiterated that stand on Friday last.

Mr. Argue: $100 million instead of $40 million.

Mr. Nasserden: The policy of the government has never been one of handouts. We refused to go back and pay for the short change policy of the former Liberal administration. Our ministers chose the positive approach in this matter.

The "On to Ottawa" delegation requested a payment of 31 cents per bushel for wheat in the year 1957-58, 12 cents for oats, and 23 cents for barley. I have their brief before me and also the prices for these grains in January, 1962, and the prices a year ago. No. 2 wheat is today $1.89 per bushel. Last year it was $1.62 and in March, 1959, it was $1.66. If we take the difference between 1959 and today, wheat is selling for 23 cents a bushel more than it did when the delegation came to Ottawa. No. 1 feed oats are selling at 90 cents a bushel today.

Mr. Argue: There is no crop.

Mr. Nasserden: Last year they sold at 70 cents a bushel—

Mr. Argue: You cannot sell what you have not got.

Mr. Nasserden: That price represents an increase of 20 cents per bushel. No. 1 feed barley is selling at $1.26 per bushel. Last year the price was 91 cents and in 1959 it was 99 cents. The difference between the price in March, 1959, and this year is 27 cents per bushel.

Mr. Argue: But there is no crop.

The Chairman: Order.

Mr. Nasserden: In other words, the government's marketing, trade and fiscal policy has

resulted in achieving very closely the objectives requested by the "On to Ottawa" delegation.

Mr. Argue: But there were no crops.

Mr. Chairman: Order. The hon. member should be allowed to proceed without interruption, so that he may be heard.

Mr. Nasserden: I can understand the reason for the interruption because the hon. member does not like to hear of the achievements which this administration has been able to effect. The present vote proposes to continue the acreage payment for the fiscal year ending March 31, 1962, on the same basis as in 1960-61. Calculated on the basis of normal consumption in Canada, the returns on wheat used for human consumption are at or above the levels that farmers and farm organizations have maintained to be a parity price.

I can understand the consternation so evident among the members of the opposition. The hon. member for Assiniboia has called this acreage payment "peanuts", time and time again. However, he cannot defend that stand, particularly after renewing his old argument for deficiency payments. Without batting an eye he reversed his tactics and urged that this vote be made permanent and statutory. His conversion comes a little late; in fact, it comes four years too late.

Mr. Argue: On a point of order, Mr. Chairman, does the hon. member remember that in August, 1958, I asked that the legislation be made permanent?

Mr. Nasserden: You called it "peanuts" four years ago. You called it the same thing last year. When we first introduced acreage payments that was the time for the hon. member to give his support and endorsement of them.

Mr. Argue: That is what I did.

Mr. Nasserden: All we got at that time was a sneer and a snarl. The constituency of Assiniboia might just well have been represented in Timbuktu as in the House of Commons.

Liberal speakers have had a different purpose in their contributions. They have again been trying to divide Canada into east and west. The hon. member for Essex East used to impress us with his air of experience. All I can say is that he has learned little during the last four years except perhaps to stoop a little lower than he felt necessary when he was nearer his prime. That exhibition is becoming more pitiful with each passing day. Let us consider his reference to A.R.D.A., "that it is not designed to meet current situations". That is exactly the difference in attitude between the administration in which he was a leading light and the administration of today led by the right hon. Prime Minister. They never planned for the future. They never moved except late and little. They blindly shut their eyes to the days when easy sales to Europe would come to an end as Europe recovered from starvation and the ravages of war.

The pledges made by the Prime Minister to the grain producers in western Canada have been fulfilled during the life of this parliament. The choice made by the people on the prairies in 1958 was a good one. Never before in Canadian history has their confidence been so influential here in Ottawa. Never before has the future held such promise for western grain producers. The Minister of Agriculture, the Hon. Alvin Hamilton, is one of the greatest living Canadians. His approach to farm problems and his sympathy for farm people have won him the respect and confidence of farm people from coast to coast.

Mr. Pickersgill: What about his predecessor?

Mr. Nasserden: The Minister of Agriculture has been able to take farm problems to our urban neighbors and win their understanding and good will. This party and the people of the prairies are proud of him for the measures he has introduced to meet long range needs, and without which there can be no worthwhile future for people engaged in agriculture. All of us wish him a speedy return to the house and to the activity that he enjoys so much. It is hardly necessary for me to add that I support this measure.

Mr. Cadieu: I am glad to have the opportunity of participating in this debate because I have had so many requests for acreage payments during travels through my constituency. I told my constituents I was sure the government would not let them down.

I know I shall not be permitted to list the many sound pieces of legislation pertaining to agriculture introduced by the government under the great leadership of our Prime Minister, the Right Hon. John G. Diefenbaker. He is very highly respected and I can assure you that my constituents appreciate the co-operation we have had from the former minister of agriculture, the Hon. D. S. Harkness, and from our present Minister of Agriculture who is held in the greatest esteem throughout the dominion.

As all the western members with the exception of one from the three prairie provinces made strong representations seeking these acreage payments I was quite confident in telling my constituents that I was sure they would not be let down, particularly in a year such as this. As these representations favoured the two-price system they agreed that this

was the fairest way it would be paid. When one looks at how the acreage payments are made, he can easily see how the present government is trying to protect the family farms. The fact is that out of a total of 223,994 permit holders 179,951 are under 500 acres per permit, leaving only 44,043 over that amount.

The farmers in my constituency were very severely struck by drought, except in a few small areas. This made things very difficult that year, and this measure will certainly be greatly appreciated. Many farmers will be receiving the full benefit of prairie farm assistance. There are a great number just about on the line, who went over the 12 bushels, and I am sure that they, as well as those farmers who were under this amount, will very much appreciate these acreage payments.

I had the pleasure of having our Minister of Agriculture visit my constituency. I am more than happy with the wonderful job he did when we were faced with one of the worst drought conditions we have ever experienced. We very much appreciate the quick action taken by the minister and his department in alleviating the difficulties which might have led to a real panic on the livestock market. He took a great interest in the movement of grain and feed. The action of the minister and his department levelled the whole thing off and we did not run into any panic. Everything went along quite smoothly. I can assure hon. members that the farmers in my constituency, and all western farmers, very much appreciate what the government has done on their behalf.

Mr. Milligan: Mr. Chairman, as a farmer in eastern Canada I should like to make a few remarks in connection with this legislation. First of all I wish to say that I am very much in favour of the acreage payment. I am very pleased to see it being brought forward at this time. I feel that the farmers in western Canada are very much entitled to some sort of assistance and this acreage payment will be very much appreciated by them.

I do not like to see it used as a subsidy to agriculture because I do not think it is such a subsidy. I should like this acreage payment to be placed on the basis of a direct subsidy to the consumer, a direct subsidy to the cost of living index, which is only one of the subsidies that those of us who are farming in other fields are helping to provide.

I think we all realize that the price of wheat on the export market is the selling price of grains in western Canada. We all realize it is not the cost of production price that should be coming back to the farmers. It is based on a highly subsidized program from every country in the world and those of us in Canada, particularly the western farmers, have not been able to obtain a realistic price for grain.

We realize that there was a drought in western Canada and those of us in other parts of Canada think that anyone who loses a crop is entitled to some assistance. On the other hand, those of us from other parts of Canada are feeling the effects of that drought perhaps just as strongly as those who were affected in western Canada. Certainly the price of grains that we have to feed in the east has increased considerably, to the point where it is unprofitable for farmers in the east to feed these grains, having regard to the price of livestock. I hope the western farmer is getting the benefit of this increase in price that we have to pay.

To give hon. members some examples I obtained some prices the other day from some of our local mills. Sample wheat, with which hon. members from the west will be familiar—I think it is a sample 5 and 6 and some other grades mixed with it; it would be below No. 5 grade—is costing our retail outlets, with the freight assistance and subsidy taken off, $1.97 a bushel. Oats are today costing our own co-operative, with the freight subsidy removed, $1.09 a bushel. That is No. 1 feed oats. No. 1 barley is costing us $1.44 a bushel. The cost of the operation of the mill is about $6 a ton, which is added to that price before the farmer gets it on his farm to be fed. Hon. members will realize that if the farmer has to pay these prices for grains for his livestock he certainly is not in a position to make very much profit. I think this is the position with most of the farmers in Quebec and the maritimes.

Therefore I feel that if this policy is going to be a permanent one it should also be extended to other parts of Canada, because there are sections of eastern Canada which contain a great many farmers in the low income group. I hoped this policy would be made a two-price system because I think the man who is selling his wheat should receive a fair return for it. The subsidy would be placed in its rightful position. It might be a basis for subsidizing the low income farmers from other areas if this scheme were continued on an acreage payment basis and extended to other parts of Canada.

I think farmers in eastern Canada are very pleased if we see one section of the economy receiving some assistance, because

those in agriculture certainly need assistance regardless of where they are situated.

The minister of agriculture of Ontario, speaking at a farm meeting in Toronto a couple of weeks ago, suggested that the farmers of Ontario must grow their own grains. We cannot afford any more to buy grains and feed it to livestock at the prices we have to pay. The minister of agriculture in Ontario maintains that we have enough land in this province to do that.

I wonder what would happen if farmers in other parts of Canada did not buy western grains. We certainly appreciate what the Minister of Agriculture has done since he has been in office. We appreciate the amount of grain he has sold. This has certainly helped the west and it has helped those in the agricultural industry in all parts of Canada. It has helped those not only in the agricultural community but in every walk of life, because if the agricultural industry is down it affects the whole economy.

We realize that the minister has made some very good sales and this is reducing the surplus grain position in western Canada. I hope the minister will continue to make these contacts and these sales in other parts of the world.

Mr. Chairman, may I call it ten o'clock.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire what the house will be doing tomorrow and the next day?

Mr. Churchill: We will carry on tomorrow with the supplementary estimates. If they reach a conclusion, hon. members of the house should be ready for the four resolutions standing in the name of the Minister of National Health and Welfare.

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

HOUSE OF COMMONS

Tuesday, January 30, 1962

The house met at 2.30 p.m.

ROYAL CANADIAN MOUNTED POLICE

WORLD FEDERALISTS OF CANADA—REPORTED INVESTIGATION

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I have a short statement to make. It has been drawn to my attention that the November, 1961 issue of the newsletter of the World Federalists of Canada contains a statement to the effect that the World Federalists of Canada have been investigated by the Royal Canadian Mounted Police and have been given a clean bill of health.

This statement is not correct. While what I have to say should not be taken as any reflection upon this organization, and indeed I am not entirely certain what is meant by the somewhat general expression "a clean bill of health", I must point out that it is not the policy or the practice of the Royal Canadian Mounted Police to give any blanket or general statement with respect to any organization by way of clearance, condemnation or otherwise.

BUSINESS OF THE HOUSE

CHANGE IN PRIVATE MEMBERS' HOUR THIS DAY

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Speaker, I should like to make a request with regard to a change in the order of business today. This change requires unanimous consent and is requested after consultation with the other parties. At five o'clock today we would normally have private members' hour. I am suggesting that this be changed to eight o'clock tonight.

Mr. Speaker: Is it agreed, then, that the hour from eight to nine this evening be substituted for the hour from five to six for the purpose of considering private members' business?

Some hon. Members: Agreed.

Hon. Lionel Chevrier (Laurier): May I express to the house leader, on behalf of the opposition, our thanks for this change, because I should say it was made at our request. I should like the government and its supporters, as well as the members of the N.D.P., to know that we appreciate this gesture.

(Translation):

FINANCE

CANADAIR—REPORTED DEFAULT BY U.S. AIR LINE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I should like to put a question to the Minister of Defence Production or to his acting representative, to whom I sent notice of my question.

Is it true that an American air line, the Seaboard World Airlines, has defaulted on the payment of five CL-44's bought from Canadair Limited? If so, has the government given assistance to Canadair Limited in order to protect this company against a loss of about $5 million?

Hon. Leon Balcer (Minister of Transport): I am sorry, but I was given notice of this question only a few minutes before coming into the house. Therefore, I shall take it as notice.

(Text):

PUBLICATIONS

READER'S DIGEST—ADVERTISING BY CANADIAN GOVERNMENT

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Prime Minister. In view of the report by Mr. Norman Campbell in the Ottawa *Citizen* that the advertiser who uses the most space in the February issue of the *Reader's Digest* is the Canadian government, would the Prime Minister care to comment and explain whether this is in line with proposed government legislation the supposed aim of which is to encourage more advertising revenues for Canadian periodicals?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the advertising appearing in the *Reader's Digest* was contracted by the government early in 1961 and before the report of the O'Leary commission. In considering further advertising contracts, the policy followed will be in keeping with that required of other Canadian advertisers, in following the course suggested by the O'Leary commission.

Inquiries of the Ministry

ROYAL CANADIAN NAVY

ALLEGED SHELLING OF U.S. COAST IN GUNNERY PRACTICE

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Minister of National Defence. Would the minister care to comment on a news report to the effect that United States coastal towns were peppered with shrapnel allegedly as a result of gunnery practice by ships of the Royal Canadian Navy?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, there was a complaint that shells of some sort had fallen on a part of the U.S. coast line in the straits of Juan de Fuca. This report is being investigated by United States and Royal Canadian Naval officers at the present time.

Mr. Frank Howard (Skeena): I wonder if I could raise a matter of privilege related to this subject. Inasmuch as it is alleged that H.M.C.S. *Skeena* was involved, if investigation proves that the Canadian navy is in fact responsible for this inadvertent shelling I should like it to be known that this does not necessarily represent the attitude of the hon. member for this constituency.

HEALTH AND WELFARE

REQUEST FOR EXTENSION OF MEAT INSPECTION SERVICES

On the orders of the day:

Mr. E. A. Winkler (Grey-Bruce): I wish to direct a question to the Minister of National Health and Welfare. In the public interest and with the knowledge of recent developments in the investigation into the sale of unfit meat, can the minister say whether his department, in conjunction with the Department of Agriculture, is prepared to extend federal meat inspection services until such time as an agreement is reached with the provinces?

Hon. J. W. Monteith (Minister of National Health and Welfare): Inspection as to the quality of meat is primarily a matter for the Department of Agriculture, but I am sure they are willing to co-operate in all respects. Following the earlier investigation I corresponded with the ministers of health in the provinces regarding this situation, and I have had some replies. However, I am having a meeting later today with respect to this matter and expect to be convening a meeting with representatives of some of the provinces.

REQUIREMENT TO LIST INGREDIENTS IN CIGARETTES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Minister of National Health and Welfare. The question is based on certain inquiries and suggestions coming from co-operative Conservative constituents of mine. In view of the fact that cigarettes contain other ingredients than tobacco, has any consideration been given to regulations that would require cigarette manufacturers to list and give full particulars of the percentage of all the ingredients of their cigarettes, similar to the requirement for patent medicines?

Mr. Churchill: Order paper.

Mr. Speaker: The hon. member has not indicated any change which would make this an urgent question. I therefore suggest that he put it on the order paper.

POWER

COLUMBIA RIVER—SUGGESTED TELEVISING OF MEETING

On the orders of the day:

Mr. W. F. Matthews (Nanaimo): I wish to direct a question to the Minister of Justice. Would he consider having the next meeting in the Columbia river negotations with the premier of British Columbia televised, so the taxpayer who is confused on the subject will know what is going on?

Mr. Pickersgill: He would be more confused than ever.

Hon. E. D. Fulton (Minister of Justice): This is an interesting suggestion, and I am quite sure any such television arrangement would produce as interesting a program as any of us have seen. Of course there are two parties to any such meeting, and I am not sure what the position of the other party to the meeting would be.

Mr. Pickersgill: He would love it.

CANADIAN BROADCASTING CORPORATION

"THE LIMELIGHTERS"—INQUIRY AS TO WITHDRAWAL OF PROGRAM

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): While on the subject of television I wish to ask the Minister of National Revenue whether he could find out from the C.B.C. and advise the house as to who ordered the withdrawal of the television show "The Limelighters",

which was video taped for showing on the C.B.C. program "Parade" last October. Would he advise the house as to the reasons?

Hon. George C. Nowlan (Minister of National Revenue): As the house well knows this government, and certainly I as minister, have no control over the programming of the C.B.C., but I shall be very glad to make inquiries as to the matter which the hon. member has raised and I hope to give him a report in due course.

(Translation):

POST OFFICE DEPARTMENT

QUEBEC—REPORTED COLLECTION OF TAX ON CERTAIN EQUIPMENT

On the orders of the day:

Mr. Remi Paul (Berthier-Maskinonge-Delanaudiere): I should like to direct a question to the Postmaster General.

Could the minister give the house some information concerning a new tax with respect to the sale of certain postal matter which is to be levied, starting on February 1 by the officials of his department in the province of Quebec?

Hon. W. M. Hamilton (Postmaster General): I will take this question as notice and give a reply later on.

(Text):

CANADIAN CONSTITUTION

REQUEST FOR TABLING OF CORRESPONDENCE WITH PROVINCES

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to address a question to the Prime Minister and ask whether he has received replies from any of the premiers of the provinces in connection with amendments to the constitution and, if he has, whether he will table those replies in due course.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, a number of replies have been received and I will table them if the house is agreeable.

UNITED NATIONS

CLOSING OF TRAINING CENTRE AT UNIVERSITY OF BRITISH COLUMBIA

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Secretary of State for External Affairs, and I apologize for not sending him notice of it. The matter came to my attention just before coming into the house and is based on a Canadian Press dispatch from the United Nations which states:

Because of heavy commitments, the United Nations has been forced to cancel financial support of the University of British Columbia's U.N. training centre, it was announced today.

The U.B.C. authorities have issued a statement to the effect that the centre will be closed on May 31 unless a satisfactory financial arrangement can be evolved. Can the minister inform the house what consideration the government is giving toward maintaining this very useful training centre?

Hon. Howard C. Green (Secretary of State for External Affairs): The United Nations regional training centre at the University of British Columbia was established in July, 1960, by the United Nations technical assistance administration. The centre itself does not conduct training programs, but it has assisted in arranging programs and in looking after the administrative arrangements for trainees sent to establishments on the west coast of Canada or in the northwestern United States. The total number of United Nations trainees handled by the centre in 1961 was 10. The centre has also been helpful in recruiting Canadians for service abroad under technical assistance programs.

In the last full year for which figures are available the United Nations contributed approximately $30,000 to the operating costs of the centre. The Canadian government has been making a grant of $10,000 annually since the fiscal year 1959-60 toward the expenses of the centre. The University of British Columbia has provided secretarial assistance, office supplies and other services which they have valued at approximately $6,000.

It is my understanding that the United Nations bureau of technical assistance operations has come to the conclusion that it is not in a position to continue direct financial support of the centre after May, 1962. The United Nations is, however, prepared to examine the possibility of making use of such a centre at the University of British Columbia on the basis of a fee for services rendered.

I am informed that the board of governors of the university have reviewed the matter in the light of this new development and apparently feel that for budgetary reasons they cannot continue the centre after May 31, 1962.

The Canadian government was prepared to continue its grant of $10,000 toward the cost of this centre. If, however, the United Nations is withdrawing its financial support and the centre is likely to be disbanded, a further grant from the Canadian government will obviously not be required.

I have gone into this matter very carefully because the University of British Columbia

happens to be in my constituency, but unfortunately there was no way in which this centre could be carried on.

EXTERNAL AFFAIRS

INQUIRY AS TO VALIDITY OF CERTAIN PASSPORTS

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Will the minister advise the house whether the false Canadian passports carried by Vincent Mauro, Frank Caruso and Salvatore Maneri at the time they were arrested in Barcelona were stolen or counterfeit?

An hon. Member: Order paper.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I am informed that the Canadian passports carried by Mauro, Caruso and Maneri were not stolen or counterfeit but were genuine passports issued on the basis of applications containing false information.

Some months ago applications for passports were made in the names of Mattiacci, Loschiano and Pallante, and since the forms were in order, vouched for by an acceptable guarantor and accompanied by the necessary photographs and fees, passports were issued in the normal way. Subsequent information received indicated that the forms contained false information and the passports appear to have been obtained by misrepresentation and fraud. When this was discovered immediate steps were taken by the R.C.M.P., in conjunction with other law enforcement agencies, to recover and cancel the three passports. Investigations in respect of these applications are continuing with a view to determining whether there has been any violation of the Criminal Code by persons in Canada.

Mr. Hellyer: A supplementary question, Mr. Speaker, to the Minister of Justice. Has the minister commenced an investigation to determine any possible connection between this incident and the alleged operation of crime syndicates in the province of Ontario?

Hon. E. D. Fulton (Minister of Justice): Mr. Speaker, I am not in a position to answer that question categorically. All I can say is that my department and the Royal Canadian Mounted Police are constantly alert for any such activities and will have anticipated the hon. member in their attention to this matter.

Mr. Hellyer: I hope they have.

[Mr. Green.]

SOUTHEAST ASIA—MONUMENT TO CANADIAN PRIME MINISTER

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): My question, like the previous one, relates to an answer given yesterday to a starred question that I put to the Minister of Public Works. I did not word it clearly enough; therefore the answer was not to my point. I should now like to ask the minister this question. Has he any further information on the plans or suggestions he unveiled at his press conference on his return from his southeast Asia trip, to build a monument in southeast Asia to the present Canadian prime minister?

Hon. D. J. Walker (Minister of Public Works): I am indeed happy to have this opportunity, Mr. Speaker, of telling the members of the house of the tremendous impression our Prime Minister has made all over southeast Asia. As a matter of fact, by everyone I met out there he is considered to be the white champion of the coloured races.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder whether I might address a question to the Minister of Public Works and ask him whether he has heard what has happened to the statue of Maurice Duplessis?

Mr. Speaker: That is a matter that we might perhaps take up under public bills and statutes.

Mr. Matheson: Mr. Speaker—

Mr. Denis: May I direct a supplementary question—

Mr. Speaker: Order. I see two members on their feet. Is the supplementary question directed to the Minister of Public Works?

Mr. Denis: Yes.

Mr. Speaker: Perhaps the hon. member for Leeds would allow the supplementary question to precede the one he wishes to ask.

Mr. Denis: The minister was talking about the good impression made by the Prime Minister in Asia. Is that why he is never in Canada?

LABOUR CONDITIONS

B.C.—PICKET LINE CROSSINGS BY U.S. AIR FORCE TRUCKS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs arising out of a Canadian Press report that United States air force trucks have crossed a legal

picket line at the Taylor, Pearson and Carson Corporation at Kamloops, British Columbia. In view of the statement—

Mr. Speaker: Order. I raise the question whether it is good practice to anticipate a question which is on the order paper by asking it orally. A similar question is on the order paper and will be dealt with in its turn, I expect tomorrow.

[*Later:*]

Mr. Argue: I should like to rise on a point of order. When I asked a question a few moments ago about trucks crossing a picket line in British Columbia, Your Honour ruled that there was a question on the order paper dealing with this subject and therefore my question would be out of order. I think your ruling would be correct if the questions had been similar or identical, but I would point out that the question on the order paper appearing in the name of the hon. member for Skeena has to do with trucks owned by the government or the Department of National Defence crossing a picket line. The question is No. 75 in *Votes and Proceedings* for Monday, January 29.

Mr. Speaker: If the hon. member's question is different, and if it qualifies otherwise, he could ask it.

Mr. Argue: I might point out that my question has to do with a protest now being made involving United States air force trucks; therefore I submit it is different. I will not repeat the first part of the question, but the second part is as follows. In view of the statement of the Associate Minister of National Defence made in the house last year that it is the policy of the Candian government to have its armed forces respect picket lines, would the Secretary of State for External Affairs ask the United States government to instruct its defence personnel in Canada to follow this very laudable Canadian policy and practice?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I shall have to make inquiries about this matter.

BRANTFORD, ONT.—DISMISSAL OF EMPLOYEES OF IMPLEMENT COMPANY

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of Labour. It arises out of press reports to the effect that, with the sale of the Cockshutt Farm Equipment Limited of Canada of the White Motor Company of the United States, large numbers of Canadian workers at Brantford have been dismissed, with the manager resigning in protest. Can the minister make any comment on these reports and inform the house as to any steps the Department of Labour is taking in order to provide employment for those workers who have been dismissed?

Hon. Michael Starr (Minister of Labour): Yes, Mr. Speaker; just as soon as I have an investigation made and a report is made to me.

Mr. Argue: I have a supplementary question. Can the minister say whether any conversations have been held with the company in Brantford prior to this time, in the light of the fact that these negotiations for sale have been under way for some time?

Mr. Starr: I was not consulted in this matter, Mr. Speaker.

Mr. Argue: The minister might have taken the initiative.

TRANSPORT

SHIPBUILDING SUBSIDIES—FUNCTION OF MARITIME COMMISSION

On the orders of the day:

Mr. E. J. Broome (Vancouver South): Mr. Speaker, I have a question for the Minister of Transport. In view of the fact that it is the function of the Canadian maritime commission to receive applications for subsidies and to rule on these applications according to the regulations governing subsidies, will the minister advise the house whether the action of Mr. Alec Watson, chairman of the maritime commission, in sending a telegram to an agency of the B.C. government threatening loss of subsidy unless this agency followed Mr. Watson's choice of engines means that in the future the chairman of the maritime commission will direct the purchasing policy of shipbuilders and ship owners?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I am very pleased to have this opportunity to clear up this misunderstanding. I think it would be appropriate for me to state the facts as they have occurred.

As the house knows, under the present subsidy policy of our government a ship owner lodges an application with the maritime commission and the commission considers the application before deciding what amount of subsidy the applicant should receive. In this case concerning the government of British Columbia and the contract for the building of two new ferry boats, the president of the B.C. transport commission got in touch with the maritime commission and asked for information in advance on the possibility of subsidies for these two ferry boats. Discussion has been going on for some time between the maritime commission and the gentleman in question. A few days ago

the president of the British Columbia transportation commission sent a telegram to the chairman of the maritime commission asking whether, if the British Columbia government was putting Canadian engines in these two ferries, they would qualify for the subsidy. He also sought some assurance that if the engines were of foreign manufacture—in this case, two British engines—the project would also be able to qualify.

The chairman of the maritime commission said there was no doubt, on account of the fact that these ships were being built in Canada with Canadian labour, that if the cost of engines made in Canada were added, the application would qualify for a subsidy as far as Canadian content was concerned. If, however, foreign made engines were put into these ships it would be necessary for the applicant to put in his application before he could receive an assurance that such a subsidy would be paid.

That is the situation. There is absolutely no intention of excluding other types of engines. It is simply that the Canadian maritime commission cannot say in advance of an application whether a subsidy can be paid and this is because of circumstances which hon. members will readily understand. For example, a prospective owner might use Japanese steel or German engines and so forth; we could not say in advance if the percentage of Canadian content in the case of such a ship would be sufficiently high to justify a subsidy. That is the reason for the telegram.

Mr. Broome: May I ask a supplementary question. Is it not a fact that the shipbuilding subsidy was designed to influence private builders into using Canadian shipbuilding facilities—

Mr. Speaker: Order. I think the hon. member is undertaking to debate the matter rather than to seek further information.

Mr. Broome: On that point of order, I am coming to a legitimate question, if Your Honour will hear me out. Is it not a fact that the shipbuilding subsidy was designed to influence private builders in using Canadian shipbuilding facilities, and not government contracts which would automatically be built in Canada? Therefore, is any vessel built for a provincial government eligible for subsidy?

Mr. Speaker: I am not satisfied that the question is in order. If the minister wishes to answer it he may, but it seems to me the question asks for an opinion on the interpretation of the regulations, besides presenting a point of view.

Hon. Lionel Chevrier (Laurier): I should like to ask a supplementary question, and it is this. When the minister tabled the regulations concerning the application of the subsidy some time in September of last year, was there a clause in them having to do with the matter raised by the hon. member and, more particularly, with the Canadian content?

Mr. Balcer: All these matters of the Canadian content and the form of application together with eligibility for subsidy are covered by the regulations.

AGRICULTURE

WESTERN CANADA—REQUEST FOR ESTABLISHMENT OF VETERINARY COLLEGE

On the orders of the day:

Mr. H. M. Horner (Jasper-Edson): I wish to address a question to the Minister of Agriculture or, in his absence, to the parliamentary secretary. Could the hon. gentleman say whether or not the minister has received any recent representations from the four western ministers of agriculture with regard to establishing a veterinary college in western Canada?

Mr. W. H. Jorgenson (Parliamentary Secretary to the Minister of Agriculture): We know that all the western members are interested in this subject. Last fall, during the dominion-provincial agriculture conference, the subject was raised by the Minister of Agriculture with the four western ministers of agriculture. Since then further discussion and correspondence have taken place in connection with this matter.

COMBINES

DRUGS—INQUIRY AS TO REPORT

On the orders of the day:

Mr. Hubert Badanai (Fort William): I wish to direct a question to the Minister of Justice. Has he received any indication as to when the restrictive trade practices commission will report in respect to its inquiry relating to the manufacture, distribution and sale of drugs?

Hon. E. D. Fulton (Minister of Justice): No, Mr. Speaker, I have not a report or any definite indication. However, I can assure the hon. member that in discussions I have received clear assurance that this inquiry is being pursued with all possible dispatch.

SHIPPING

SAULT STE. MARIE, ONT.—REPORTED PLAN TO CONSTRUCT NEW LOCKS

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): On Tuesday last the hon. member for Assiniboia asked if I would care to comment on a

press report that in the United States there are plans under way to construct new locks, particularly at Sault Ste. Marie, that would outmode the present seaway, and that seaway engineers have already agreed to specifications.

As my hon. friend knows, I am not in a position to comment on a press report of proposed plans affecting facilities in another country. I can only say that the St. Lawrence seaway authority has not been a party to any such reported planning, and that the authority engineers have not been asked to agree to specifications. The dimensions of the present seaway locks were established following intensive study, and there is no indication on the basis of present traffic or future forecasts that they are outdated.

Mr. Hazen Argue (Assiniboia): I have a supplementary question. Can the minister say whether, as a result of his inquiries, he feels that the Welland canal is adequate with its facilities?

Mr. Balcer: This is an engineering opinion that I will leave for the experts.

PUBLIC SERVICE

POSTAL EMPLOYEES—REPORTED REDUCTION IN PERSONNEL

On the orders of the day:

Mr. Azellus Denis (St. Denis): I wish to direct a question to the Postmaster General. According to newspaper reports, in addition to mention of a new postal service related to the mailing of cats, there is other news about the reduction of personnel in the Post Office Department. Is the Postmaster General in a position to make any comment about the matter?

Hon. W. M. Hamilton (Postmaster General): I am not quite sure what the hon. member is driving at, Mr. Speaker. In the press recently there was a statement to the effect that perhaps some staff changes at headquarters were to be made. I think that is the matter to which he refers. I merely tell him that in the five years ending March 1957, before this government took office, the headquarters staff increased by 50; but in the five years ending December 1961, it decreased by 17. That is an indication of the type of administration the department was getting previously and the type of administration it is getting now.

UNEMPLOYMENT INSURANCE

DISPOSITION OF SECURITIES IN FUND

On the orders of the day:

Mr. W. H. McMillan (Welland): I should like to direct a question to the Minister of Finance. By his answer to my question yesterday did the minister imply that the marketable securities held by the unemployment insurance fund have been sold or converted into non-marketable securities?

Hon. Donald M. Fleming (Minister of Finance): If the hon. member will look back at the budget speech of June 20, Mr. Speaker, he will find that I outlined the plan of the government with respect to the securities held by the unemployment insurance fund. That policy or program has been carried through and has been working with eminent satisfaction. As the unemployment insurance fund requires to realize on these securities they are redeemed by the treasury in accordance with their terms.

Mr. Hellyer: At what price?

Mr. Fleming (Eglinton): Par.

IMMIGRATION

REPORTED STATEMENT BY MINISTER

On the orders of the day:

Mr. John R. Matheson (Leeds): I wish to direct a question to the Minister of Citizenship and Immigration. It arises out of a news story in the *Times* of January 27, styled "Fewer Immigrants to Canada, Lowest Total since 1947". The hon. lady is reported as having said in Hamilton:

> The number of settlers was not likely to reach the levels achieved in the past thirteen years.

Does this mean that a policy of net emigration will continue?

An hon. Member: Who wrote that question?

Mr. Hees: The hon. member will have to learn to read Lamontagne's writing. Let him go up into the gallery and Mr. Lamontagne will explain it to him.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): I did not see the article to which the hon. member referred, Mr. Speaker. He identified the publication as the *Times*. I think there are several newspapers in the world by that name.

Mr. Matheson: The London *Times*.

Mrs. Fairclough: I am sorry, but I did not see the article in question and I do not know whether or not it is a quotation of something I said.

CANADIAN NATIONAL RAILWAYS

LAKEHEAD—INCREASE IN CHARGES ON IRON ORE

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to direct a question to the Prime Minister. Yesterday I asked him the following question:

Inquiries of the Ministry

Has he received a letter from the northwestern Ontario development association protesting against the increase of 20 per cent in Canadian National Railways freight and dock charges on iron ore shipped from Steep Rock to the lakehead? If so, I wonder if the Prime Minister would inform the house whether he is contemplating any action to correct the situation.

Can the Prime Minister answer today?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, a letter was received in my office on the 27th of this month. It is dated the 25th of January and was sent by the organization in question. As the hon. member knows, there is provision under the law regarding the course to be taken whenever objections to freight rate increases are raised. I would suggest that whatever representations are to be made should be made in the regular course to the board of transport commissioners.

I looked into the matter following the question asked by the hon. member yesterday, and the information I have received from the minister who reports for Canadian National Railways is as follows. In January, 1954 the railway company agreed to publish a rate of $1.20 per gross ton to be effective with the opening of navigation. This rate represented a reduction of 27 cents in the then effective rate. Similarly, a handling charge of 15 cents per gross ton was adopted. Both rates were to be subject to adjustments upward or downward to the same extent as variations were made in the rate from the Mesabi range to Duluth-Superior. Under this formula the rail rate as of April 30, 1961, was $1.45 and the dock handling charge 19 cents.

In agreeing to these rates it was anticipated, according to the railway company, that shipments would attain the estimates made by Steep Rock Iron Mines and later by Inland (Caland Ore Company). During the seven year period the actual tonnage shipped from the whole area has been less than 50 per cent of the estimate given in 1954, and in view of this continuing trend the railway company found it necessary to increase the rail rate and dock handling charge by 33 cents per gross ton or approximately 20 per cent. It is estimated by the railway company that the new rates at the present level of tonnage will not give more than a modest rate of return.

The interested shippers were advised of the decision to file a tariff of increased charges to become effective on May 1. Since that time several meetings have been held with interested shippers by the company to consider representations as to the effect of the increased transportation charges on their operation. I am also informed that further discussions are anticipated on a possible formula for arriving at a rate which would benefit shippers as the total tonnage of ore from the area increases.

[Mr. Badanai.]

HOUSING

N.H.A.—REQUEST FOR FINANCING OF EXISTING HOMES

On the orders of the day:

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, yesterday the hon. member for Nipissing inquired whether the government had received representations from house building authorities in connection with extending financing to existing homes. My reply is that in May last we did receive such representations from the National House Builders Association.

The government, of course, as my hon. friend so well knows, has been under tremendous pressure to supply sufficient funds for the very greatly accelerated building program of new homes. This matter concerning existing homes and many others requiring consideration are constantly under review by the government. If and when a decision is made with regard to any of these matters it will be brought to the attention of the house immediately.

[*Later:*]

Mr. W. H. McMillan (Welland): I should like to direct a question to the Minister of Public Works. Is the government giving any consideration to a reduction in the mortgage interest rate on homes?

Mr. Walker: Mr. Speaker, as the hon. member and other members of the house must know by this time, this is a matter that is constantly in my mind. As and when the long interest rate on bonds is reduced I can assure the hon. member that we will make a reduction in the mortgage interest rate. There is nothing this government would rather do than lend money at an even more reasonable rate to people who would like to build new houses.

(Translation):

AIRPORTS

DORVAL—TRANSPORTATION ROUTES USED BY CONTRACTORS

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to direct a question to the Minister of Transport.

Has the minister received any complaint to the effect that limousines serving the Dorval airport head for Montreal by taking the lower route instead of Cote de Liesse road, thus depriving a certain section of the population of that limousine service, and does he intend to remedy this situation?

Hon. Leon Balcer (Minister of Transport): Yes, Mr. Speaker, I did receive yesterday a communication to that effect and I immediately asked officers of my department to get in touch with the concessionnaire and make sure that he complies with the clauses of his contract.

(Text):

SUPPLY

The house in committee of supply, Mr. Martineau in the chair.

DEPARTMENT OF AGRICULTURE

Production and marketing branch—

611. Payments to western grain producers to be distributed on the following basis, namely, $1 per cultivated acre up to a maximum of 200 acres per farm in accordance with regulations of the governor in council, $42,000,000.

Mr. Milligan: Mr. Chairman, at the adjournment of the house last evening I was commenting on the sales of wheat that the Minister of Agriculture has been instrumental in negotiating, and I am sure we are all hoping that these countries will expand their demands and place further orders for grain. This has considerably relieved the pressure on the whole agricultural industry of Canada.

Production of livestock, dairy and poultry products has increased substantially in western Canada due mainly to large quantities of storage grain. This trend may result in surplus production and further stockpiling of these products. We are all hopeful of increased demands from export markets. However, conditions over which we have no control may reduce the export of grain from Canada. I am wondering if we should not now be looking forward to studying long term policies for disposing of our grain surplus. I am wondering if study should not be made to ascertain whether or not it would be good business to continue exporting our feed or cattle to the United States, in view of the fact that the finished product is often marketed in Canada. It is becoming more difficult for eastern feeders to obtain cattle in western Canada, and this may result in a further reduction in the consumption of western grain.

I favour a long term policy of the two price system for western wheat growers, because this would give them the kind of security to which they are justly entitled. I should like also to suggest to the minister that ways and means be provided for a delegation of members of the agriculture committee to study the policies other countries have adopted in taking care of their surpluses. I have always been concerned to find that these countries are able to purchase grain from Canada yet, under a subsidized agricultural program, have been able to undersell us in many of the importing countries.

The people in the agricultural industry are very grateful for the leadership that this government and the minister have been giving, and are looking forward with confidence in the hope that agriculture may receive its fair share of the national income. A comparison with other countries shows that in Great Britain, where 5 per cent of the population are engaged in agriculture, they receive 5 per cent of the national income; in Denmark, where 20 per cent of the population are in agriculture they receive 18 per cent of the national income; in Canada, where 13 per cent of the population are engaged in agriculture, they receive 7 per cent of the national income.

In closing my remarks I should like to say that this is one of the reasons we are in favour of these acreage payments to subsidize western wheat producers; in other words, this measure will help them obtain a fair share of the national income. I would say that the purpose of this subsidization of agriculture has been to compensate the producers for this disparity of income in comparison with the rest of the people of Canada.

(Translation):

Mr. Habel: Mr. Chairman, we are right in saying that these payments to the western wheat growers fall short of the promises made by the Prime Minister (Mr. Diefenbaker) during the 1957 and 1958 election campaigns. It goes without saying that we realize the extent of the damage suffered by the western farmers last year, when they lost their crops, and that the party to which I belong supports the proposed payments of subsidies.

However, we have the right and indeed the duty to point out that the western provinces are not the only ones where damage was suffered. In the riding which I represent in this house, most of the farmers have been unable to harvest their grain on account of a very rainy season. It therefore follows that many farmers have to face extraordinary expenses in order to be able to keep their herds. And what assistance can they expect from these subsidies? Absolutely nothing.

This government, who speaks so much of assistance to agriculture, could have convinced the Ontario government, who holds the same political ideas, to take advantage of the Crop Insurance Act. This would have enabled the farmers who lost their crops to avail themselves of the advantages of this act and thus reduce the expenditures they must incur to face the present situation.

Yesterday, the Secretary of State (Mr. Dorion) took part in this debate. I was a little surprised. I am sorry that he is not here today, because I intended to refer to his speech. What amazed me, in view of his relationship with the Quebec Union Nationale, was to hear him try and justify that achievement about which we heard so much in the course of this debate, that is the long term sale of wheat to communist China. At page 313 of *Hansard* for yesterday he is reported as having said:

Our spectacular sales to Poland, Czechoslovakia and China have had an extremely favourable result while reducing our grain stocks to reasonable proportions.

Mr. Chairman, I wonder how the Quebec members, those who belong to the Union Nationale wing—and it is a well known fact that they are numerous here—I wonder, as I say, how those members will manage to defend the attitude of their government insofar as these long term wheat sales are concerned.

Mr. Chairman, referring to a political advertisement of 1956, allow me to quote from the newspaper *Le Droit* of March 31 1956:

Mr. Lapalme and his Liberal friends in Ottawa give $4,198,293,000 to foreigners... including communist Russia, China and Czechoslovakia and other countries behind the iron curtain. The greater part of that amount in pure gifts and the rest in loans which are seldom repaid—

An hon. Member: Order.

Mr. Habel:

A first question to Mr. Lapalme and his friends from Ottawa: Why do you sell—

An hon. Member: Order.

The Chairman: Order. I would ask the hon. member to abide by the rules of the house, as it was explained yesterday by the acting chairman of the committees.

I understand how he may have strayed away from the subject matter. However, I would ask him to limit himself to the item under consideration.

Mr. Habel: Mr. Chairman, in quoting those words I was keeping to the discussion which took place in this house.

Yesterday, we were told by certain members that the opposition is deliberately raising some provinces against the others. I would remind the Conservative members, especially those who represent the Union Nationale in the house, that they would be wise to make a self-examination and to take a look at their files of political advertisements in past election campaigns, when they claimed precisely—

An hon. Member: Order.

[Mr. Habel.]

Mr. Habel:

—You would rather give to strangers than to the province of Quebec.

An hon. Member: Quite true.

Mr. Habel: Their political advertisements read as follows:

Mr. Lapalme and his friends in Ottawa: Why do you sell surplus western grain to communist countries rather than to Quebec breeders?

The Secretary of State and several of his Union Nationale friends will find it hard to explain their conduct to the Quebec electors, because they are now doing precisely the same thing as the Liberal government; they are selling wheat to anyone willing to buy it and on a long term basis, if necessary.

An hon. Member: Order.

Mr. Dorion: Mr. Chairman, would the hon. member allow me a question?

Mr. Habel: Certainly.

Mr. Dorion: Could he tell us whether or not he is in favour of the wheat sales which were made to certain communist countries?

Mr. Habel: Mr. Chairman, I will gladly reply that I am in favour of those sales, contrary to what they did when they criticized them.

Mr. Pigeon: Mr. Chairman, could I ask the member for Cochrane a question?

The member has criticized the Ontario government for not participating in the crop insurance scheme established by the federal government. What does he think of the Quebec government which does not participate in the scheme either?

Mr. Habel: Mr. Chairman, in reply to the member for Joliette-L'Assomption-Montcalm, I would say that the Quebec government looks after its own affairs and that the Ontario government should do the same.

Mr. Parizeau: We will look after the affairs of Quebec.

(Text):

The Chairman: Shall the item carry?

Mr. Argue: Before the item carries I think we should have an explanation from the Acting Minister of Agriculture as to why no provision is being made at this time for the 1960-1961 permit book year. In other words, why has one year been missed?

The acting minister, the Prime Minister and the Minister of Agriculture have said this is a policy in lieu of the two price system for wheat grown for domestic consumption. One could argue that this measure is a strange way to bring that about, but that is not the point I want to make. If it was proper in 1958-59 to pay $1 an acre in lieu of a two

price system, and this was done in other years also, I should like an explanation from the minister as to whether, in his opinion, there were any different circumstances prevailing in the year that was missed.

I am sure this vote will get the unanimous approval and support of the house, but I am equally certain that should the government bring in another item providing double the amount of money on an acreage basis, so that we could pay for the year that is missing, it would also get the unanimous approval of the house. Can the minister explain why no provision is made for the year 1960-61?

Mr. Harkness: There is no question of years being missed or not being missed. An acreage payment was made in 1958, one was made in 1960, and another one is being made at the present time.

The Chairman: Shall the item carry?

Mr. Argue: The minister has once again underlined the fact that this is not an annual payment. I say, Mr. Chairman, it is another example of the slipshod method of carrying out business so often demonstrated by the present government, what can be described as a hit or miss method or, in the words of the president of the Manitoba farm union, "a hopscotch policy". No one can have any confidence in a government that does not have a policy, and this government does not have a policy on acreage payments.

The Prime Minister is interested in the coming election. He is concerned about votes, but he repudiates the agricultural organizations of western Canada by failing to introduce a consistent policy. I challenge the government to put this estimate in legislative form. I challenge them to make this a policy recorded in the statutes of the country, instead of making it a political matter. At the moment there is no regular basis for it, and the measure is introduced purely and simply on a political basis designed, as the Prime Minister hopes, to gather support in western Canada.

I suggest that although the Prime Minister and the Minister of Agriculture feel this kind of political activity and political management of the country is the way to get votes, it would be better if they would bring about a regularized system of dealing with this kind of payment and manage the country in an open way, instead of in a political roundabout, catch as catch can, pay some years and miss some others method, thus leaving the whole question in a state of confusion.

Mr. Rogers: The longer you talk the more you lose.

Mr. Argue: Although we have heard that some members oppose the vote, I am quite sure the item will pass unanimously. It is interesting to recall that when a vote was taken in 1958, that measure was then passed unanimously. The same thing happened in 1960, and I believe it will be passed unanimously once again this year. Should the government have any doubt about the question let them call a recorded vote and find out for themselves. No one is opposed to the measure. All that some of us are saying is that the government should put it on a regular basis in legislative form and not pretend it is in lieu of a two price system.

In the main, the reason for it being introduced is because of the uncertainty of the Prime Minister so far as his fortunes are concerned in the next few months. If that were not the case, why not bring in a vote to cover the year that has been missed? Why turn down the demands made by western organizations for payment for last year?

I have another question for the acting minister, although I think I know the answer to it. I hope I may be proven wrong, but it has to do with a sentence in the speech from the throne which has been placed on the record a number of times. It stated:

> The drought in the prairie provinces during 1961 has resulted in severe losses, however, and you will be asked to provide assistance by means of acreage payments to the farmers who have been affected.

I hope the government do not claim the item now being discussed is the fulfillment of that forecast in the speech from the throne. It is nothing of the kind. As the minister well knows, this item has nothing to do with drought. The money it provides will go to men who produced no grain whatsoever, and to those who produced only forage crops. Producers like that will get the $200 payment provided they have permit books. Payment will also be made to men with 1,000 acres who have had bumper crops, although there are not many in that category. The payment is not based, as is the Prairie Farm Assistance Act, on drought and adverse yields.

The government have made it clear that they do not have information as to which farmers had crop failures, but to refute that is the fact that such information is in the possession of the department. Prairie farm assistance has been paid out over a wide area in western Canada. The level of such payments was increased in 1955. The administration of that act is doing a lot of good and the government do have records in their possession as to what farmers had crop failures. Inspections have been made, the information is there, and I suggest that to carry out the statement in the speech from the throne will

require legislation to bring about supplementary benefits, additional benefits, designed to help those farmers who have had a crop failure.

This additional benefit has been asked of the government by farm organizations. The provision we have now is paid to everyone. It is paid to those who had no crops; it is paid to those who had good crops, and it is paid to some farmers in particular areas who are not in the business of marketing grain in any way at all.

Therefore I suggest to the minister that to carry out the forecast in the speech from the throne will require further legislation to supplement payments under the Prairie Farm Assistance Act.

Mr. Harkness: Mr. Chairman, such is the suspiciousness of mind and the complete preoccupation with political considerations of the hon. member for Assiniboia that he imputes nothing else, as a result, to people on this side of the chamber, and quite incorrectly so. He has stated in effect that this acreage payment is being made for purely political reasons and has implied that it is being done because, as everyone knows, we are getting on toward the end of this parliament.

This is not the situation, as is demonstrated by the fact that the payment was first made in 1958, just after an election had taken place—and not before one—and again in 1960. I think this is sufficient proof in itself that this type of assistance for western farmers, particularly the smaller farmers, is a matter of help because of a lack of income which has existed on the part of these farmers for many years past. It is not, as the hon. member for Assiniboia is trying to maintain and as certain hon. members of the official opposition are also trying to maintain, a political manoeuvre.

Mr. Argue: Then why did you not pay it last year?

Mr. Harkness: If this were being paid for the first time this year they might have some cause to voice suspicions of that kind but, as I say, the first of these payments was made in 1958, the next in 1960 and the third one will be made under this measure. I think that alone demonstrates the fact that contentions and suspicions of that sort have no foundation in fact.

The hon. member for Assiniboia, on I think three or four occasions now—because as usual he has been very repetitive in this debate—has referred to the exact wording of the paragraph in the speech from the throne which indicated that acreage payments were going to be made. The hon. member has been indulging in a good deal of semantics really, a play on words in connection with that particular paragraph. I think if it was not clear to him, it was clear to practically everybody else what was meant by that paragraph, and that this acreage payment was properly predicted in it and is now before the committee for consideration.

As I stated when I first spoke in introducing this estimate on Friday last, there were several considerations in mind concerning the making of this payment. One of them was the general drought situation in western Canada, which of course caused a general decrease in income as far as farmers as a whole in western Canada are concerned. There is always the odd exception in any case concerning a large number of people or a large volume of goods or large acreages. There were a few people in western Canada who did have good crops.

Mr. Argue: Does the minister know what proportion?

Mr. Harkness: A very small number had good crops last year. The general situation is that as far as the farmers in western Canada as a whole are concerned, they are going to be short of income because of the fact that their crops were about 50 per cent less than they had been on the average in the previous five years. As far as the people who had no crop are concerned, as the hon. member well knows and as I have indicated in this debate on two or three occasions, they are looked after by Prairie Farm Assistance Act payments.

Mr. Argue: That is not enough.

Mr. Harkness: The hon. member always says "That is not enough".

Mr. Argue: It is not nearly enough. You have not increased it.

Mr. Harkness: Mr. Chairman, in the 17 years I have been in this chamber, and the hon. member has been here for the same length of time—as it happens we both came to this house together in 1945—I have never heard any single measure introduced in this chamber with regard to which the hon. member for Assiniboia did not say "That is not enough".

Mr. Argue: That is a compliment.

Mr. Harkness: He has said that, or "peanuts", or something along this line.

Mr. Argue: That is a real compliment.

Mr. Harkness: As a matter of fact you could bring in a measure to make the most impossible sort of payment in the world and the hon. member would still say it was not enough. In other words, that is his constant

plea which runs like a groove in a record in his head. No matter what happens, all he can do is put the needle down in that groove and say "It is not enough, it is not enough".

An hon. Member: You cannot turn the record off.

Mr. Argue: Why did you not pay them for the year you missed, instead of all this abuse?

Mr. Harkness: It does not matter what type of measure it is, you will get the same story from the hon. member for Assiniboia. He has now repeated it so often that nobody pays any attention to it.

Mr. Argue: Oh, oh.

Mr. Pickersgill: What about you?

Mr. Harkness: It has ceased to have any significance whatever. The Leader of the Opposition intervened in this debate last night and made a great to do about being completely in favour of sales of our food supplies to any country anywhere in the world. Then of course he went on in the general way that is usual with hon. members of the Liberal party and made a lot of gloomy predictions in connection with this program. It was the same old story; "We are completely in favour of this, but, but, but, but".

Mr. Pickersgill: But what?

Mr. Harkness: Previous to that the hon. member for Burin-Burgeo was questioning very considerably whether it was not immoral on our part to be selling wheat to China, and again this afternoon the whip of the Liberal party made similar types of statements, in other words trying by every effort possible to build up in the minds of the people of this country that we are following a very bad practice in selling wheat to China.

Mr. Habel: On a point of order, Mr. Chairman, the minister has just said, that the whip of the Liberal party made that type of remark this afternoon. That is absolutely contrary to the words I used. If the minister had listened and understood, I was pointing out the difference between what some of today's government members were saying five years ago, compared with what they are saying today.

Mr. Pickersgill: Exactly.

Mr. Habel: I said we were glad to sell the wheat to those countries, as we are glad to sell it today to the same countries.

Mr. Harkness: I was listening to the hon. member quite carefully and he said exactly the same as his leader said last night. Last night the Leader of the Opposition was raising his hands and saying "We are in favour of selling food supplies to any country any place in the world", and so on and so forth. Then he went on to say but we may not get paid for them; we may not do this, and so on and so forth.

Mr. Martin (Essex East): What is wrong with that?

Mr. Pickersgill: Yes, what is wrong with that?

Mr. Harkness: In other words, the members of the Liberal party on one hand, in order not to, as they think, antagonize the farmers, particularly of western Canada, in regard to the sale of grain say "Oh, yes, we are in favour of that". But on the other hand they are casting all kinds of doubts on the transaction and trying to persuade as many people as possible that this was a bad thing to do.

Mr. Pickersgill: Would the minister permit a question?

Mr. Harkness: In other words, it is the old double headed axe policy.

Mr. Pickersgill: Would the minister permit a question?

Mr. Harkness: Yes.

Mr. Pickersgill: The minister said we were casting doubts upon this transaction.

Mr. Harkness: Yes.

Mr. Pickersgill: Will the minister lay the documents on the table, as we have asked repeatedly, so we can see what the transaction is, as the people have a right to know? Will he do that? Will he answer that question?

Mr. Harkness: Hon. members of this house have already been told in detail what the transaction is.

Some hon. Members: Oh, oh.

Mr. Pickersgill: You have refused to give the date; you have refused to give the figures.

Mr. Harkness: This is another red herring on the part of the hon. member for Bonavista-Twillingate. This is practically all he does in this house; he tries to draw a trail of red herrings or put up smokescreens. These two things are his stock in trade. After the long period of debate on this matter and the reiterated assurances on the part of hon. members of the opposition that they are all in favour of this measure, I hope they will now quit raising these objections of different sorts—

Mr. Martin (Essex East): Closure.

Mr. Harkness: —and allow the matter to pass.

The Chairman: Shall the item pass?

Mr. Pickersgill: The item shall not pass until the shocking misrepresentations to which we have just listened have been dealt with. Let us start with one. Who was in office when we first sold these exports to communist countries? The Liberal party. That is fact number one. Who objected to it when that was done? The members of the Union Nationale, the friends of the Secretary of State who is now boasting about these things. That is fact number two.

Mr. Pigeon: What have you against the province of Quebec? What have you against French Canadians?

Mr. Pickersgill: The hon. member knows that I am where I always was. I never thought these arguments of the Union Nationale about the sale of wheat to communist countries were sound. I do not think so now. But the hon. member and his friends seem to have been converted.

Mr. Pigeon: You divide the country.

Mr. Pickersgill: The plain fact is that when the sales of wheat to communist countries were first started in Canada the then premier of Quebec, Mr. Duplessis, plastered this country with advertisements saying that this wheat was being given away to strangers.

Mr. Flynn: That is not true.

Mr. Pickersgill: Well, my hon. friend the member for Cochrane just read the advertisement—

Mr. Flynn: You are twisting the facts, as usual.

The Chairman: Order. The hon. member for Bonavista-Twillingate has the floor, and I think it would be appreciated by all if we could hear what he has to say.

Mr. Pickersgill: Some hon. members have suggested that this was not the position taken. The hon. member for Cochrane has already put this on the record, but I will put it on again. Here is what this advertisement of the Union Nationale had to say:

(Translation):

While Duplessis earmarks hundreds of millions for agriculture... Mr. Lapalme and his Liberal friends in Ottawa, who are more concerned about the situation in the Middle and the Far East than about the problems of the Quebec farmers, give $4,198,293,000 to foreigners—

Mr. Fortin: It was not a sale, it was a gift.

Mr. Pickersgill:

—including communist Russia, China and Czechoslovakia and other countries behind the iron curtain.

(Text):

That is the position.

An hon. Member: It was not a sale; it was a gift.

[The Chairman.]

Mr. Pickersgill: One hon. member says it was not a sale, it was a gift. Let me read what Mr. Duplessis had to say on this subject, not what the hon. gentleman says he said:

(Translation):

The greater part of that amount in pure gifts and the rest in loans which are seldom repaid—

(Text):

That latter part represents exactly what this government is doing. This government is extending credits, in other words making loans, in order that this wheat may be bought. But the difference between what the St. Laurent government did and what this government is doing is this. The St. Laurent government, when it sold wheat on credit, laid the contracts on the table so that everybody could read them. The Minister of Agriculture, together with those who support him, has refused to have this contract laid on the table. What is so secret about this? Why have so many suspicions been aroused? They exist because they have been created by hon. gentlemen opposite by their furtive, secretive tactics with regard to this contract.

I will tell hon. members the reason the minister and his supporters are so secretive about it. That contract had been signed and that wheat had been sold before the Minister of Agriculture ever went to Hong Kong. The transaction was completed by the wheat board. After it was made the minister went over there to get the credit. They do not want us to know the facts. They do not want those two dates to be compared. That is one reason we cannot see that contract in this parliament. But it is only one reason. There is another. They do not want us to see what the terms are.

Mr. Harkness: What has this to do with the question before us?

Mr. Pickersgill: If the hon. gentleman still says I am misrepresenting the situation, let him put the document on the table and let us see what the facts really are.

This government, whose leader went all over the country talking about government in secret, government by order in council and contempt of parliament, must bear responsibility for what has happened. In the whole history of this country there never has been contempt of parliament comparable with that which we have seen since the right hon. gentleman went over there to the treasury benches. This is a perfect example of the way in which the public business is treated as the private business of the Tory party.

Mr. Slogan: I do not wish to prolong this debate, but I should like to associate myself and my constituents with those hon. members who have thanked the government for its work in this matter of acreage payments.

Just to give the committee an idea of how this will affect some of the small farmers in the west I should like to quote from a letter I have received from Mr. E. J. Otto, a farmer in Glenmoor, Manitoba. He says in part:

> In our own case we are not quite eligible for P.F.A. yet we have had to and must still buy feed, so acreage payments would be most welcome and we would thank the government sincerely if they came through.

That is the attitude, and I may say it is the attitude of the farmers whether they support this party or the opposition. It is also significant that this measure is receiving the unanimous support of the opposition. My only disappointment is that they seem to be giving this support somewhat grudgingly; I do not feel they like to give credit to this government for anything constructive that it ever does.

We have heard speeches from members of the Liberal party which seem to have gone off at a tangent. That is understandable, because that party does not have a single member from the areas to which these payments would apply. There has been a lot of talk about parity prices and so forth. I should merely like to state in this connection that if the government had brought in a measure based on parity prices a most difficult situation would arise with respect to those farmers who had no crop to sell. When a crop fails, that is the time they would need help most, and this is the type of situation that the present measure is designed to remedy. The hon. member for Assiniboia has been saying that these payments should be made only to those who have suffered from drought.

Mr. Argue: On a point of order, I never made any such statement.

Mr. Slogan: It is very hard to understand the hon. member for Assiniboia, because he leads us into such a morass that I took it from his remarks, which I read carefully, that he was trying to suggest that there are farmers who will get the payment and who will not need it.

Mr. Argue: That is true.

Mr. Slogan: My understanding is that P.F.A.A. does cover this situation and that the present measure provides for a supplementary payment which will help those who suffered from the drought. We must remember that those who did reap some harvest or who are in diversified farming also need assistance. In my own area of mixed farms this assistance is most welcome. In Springfield only 52 per cent of the grain produced is sold. The rest is used for feed and seed. Sometimes, indeed, we have to buy feed. Therefore, if we had introduced a measure based on the price of wheat the benefit would not really have been as great as it is under a scheme of acreage payments.

I have the figures here to demonstrate this contention, but the argument is somewhat extraneous and I shall not go into it at this time because, as I said, I do not wish to prolong the debate. I merely wish to compliment the government on ironing out some of the difficulties which were experienced by a number of farmers when the two previous acreage payments were being made. Those of us who represent rural areas should not now be faced with problems from farmers who did not have their wheat permits or were experiencing difficulty in qualifying for these payments. This measure is welcome by all the farmers in the west. Regardless of what the opposition may say, it is a big help and it is coming at a time when the farmers who are preparing for their spring seeding and other spring work will welcome it most heartily.

Some hon. Members: Carried.

The Deputy Chairman: Shall the item carry?

Mr. Carter: Before the item carries I wish to ask two or three brief questions for the purpose of clarification. Last Friday, as reported at page 246 of *Hansard*—and I am reading from the second paragraph of the first column—the minister stated as follows:

> —and it is estimated that approximately 235,000 payments will be made.

My first question is this. Is it possible for a farmer to receive more than one payment or is the number of payments the same as the number of farmers? My second question is this. How many farmers actually received payment last year, and how many of the farmers expected to receive payment this year will also receive payment under the P.F.R.A.?

Mr. Martin (Essex East): No one received them last year.

Mr. Carter: I mean in 1960.

Mr. Argue: The hon. member does not mean P.F.R.A. He means P.F.A.A.

Mr. Carter: Yes, P.F.A.A.

An hon. Member: What is the difference?

Mr. Harkness: In reply to the second question as to the number of people who received payments previously, may I say that in 1958 the number was 234,162. I put these figures on record on Friday. The hon. member will find them given in *Hansard*. In 1960 the number was 227,710. The present estimate of the department is the one that I gave.

As to the matter of who might receive these payments and whether or not a man might receive more than one, the answer is no.

The maximum payment to any one individual is $200, no matter how much land he has or whether he has two or three parcels of land. In respect of the first payment that was made, there were a few individuals who had a piece of land here and another piece of land somewhere else and who had a permit book for each one. As a result they received two cheques. When the whole thing was checked afterwards they were called upon to return the extra cheque which they had received. The scheme is based on the fact of a man receiving one payment only.

Mr. Carter: So that the number of payments is the same as the number of farmers, is it?

Mr. Harkness: Not necessarily. You might have a considerable number of farmers who do not have permit books. For example, consider the ranchers who have no cultivated acreage. They would not be eligible to get permit books.

Mr. Carter: Did the minister say how many farmers who may receive payment under this acreage grant or under this acreage payment item also receive payment under the P.F.A.A.? Is it possible for a farmer to receive both payments?

Mr. Harkness: Yes. As a matter of fact, a large number of farmers will receive both payments. I have not here the figures as to the number of people who have already been paid and to who it is estimated will receive P.F.A.A. payments this year. I can get those figures for the hon. member and send them to him some time in the future if he is interested in them. However, I have not them here at the moment, as this matter really has nothing to do with the item which is under discussion. Everybody who has received a P.F.A.A. payment will also, I believe, receive one of these payments.

Mr. Carter: I wish to thank the minister for the information he has given. It was the procedure in which I was interested, not the details. There is only one more question I wish to ask and it is this. Is there any sort of means test in connection with this payment, or is it paid to a farmer whether he needs it or not?

Mr. Harkness: No, there is no means test at all in connection with this payment. It is paid to every person who has a permit book.

Mr. Carter: That is the only requirement?

Mr. Harkness: Yes.

The Deputy Chairman: Shall item 611 carry?

Mr. Argue: Just before the vote carries, I wish to say that I am sure western producers will be disappointed that the statement in the speech from the throne will not be more accurately fulfilled by an additional measure which would provide some benefits based on crop failures. The farm organizations have been asking for such a measure. The Acting Minister of Agriculture can say "Oh, no matter what we do, the hon. member for Assiniboia says, 'more'". I intend to keep on saying "more" so long as I think more is justified and so long as there is some support based on good evidence that such is the case.

The farm organizations have asked for supplementary payment based on crop failure. The national farmers' union came out last fall with the demand for a supplemental payment of $5 per acre to all farmers who had a crop failure as defined in the Prairie Farm Assistance Act, namely a yield of 12 bushels an acre or less, and that this $5 per acre payment should be based on half of the farmer's cultivated acreage up to 400 acres. In other words they were asking for a supplementary payment to a maximum of $1,000 in addition to the maximum payment under the Prairie Farm Assistance Act. In other words they were asking for a maximum payment of $1,800 in time of crop failure.

The government's crop insurance scheme just is not working in adequate fashion at all. It is working to some extent in Manitoba. It has very limited application in Saskatchewan. The provincial government of Alberta so far has not seen fit to come into the scheme Under these circumstances I call on the government to take action to provide supplementary benefits to farmers who have suffered a crop failure and, by doing so, to fulfil the forecast in the speech from the throne.

The Deputy Chairman: Shall vote 611 carry?

Item agreed to.

DEPARTMENT OF FISHERIES

Special—

612. Contribution towards a special Newfoundland works program for fishing settlements that experienced income reduction resulting from decreased catches, $300,000.

The Deputy Chairman: Shall item 612 carry?

Mr. Pickersgill: Is the minister going to make a statement?

Mr. MacLean (Queens): Yes, Mr. Chairman. I intend to make a short statement in explanation of this vote.

As indicated in the wording of vote 612, this special work program in Newfoundland arose because the traditional method of inshore fishing was not fully effective in the

past year. Over a widespread area of the coast, fishermen are dependant on the use of trap nets. This is a very successful method when the cod come close to shore. This year, for some unknown reason, the cod failed to follow their usual habits. Inshore fishermen were not in a position to go far out to sea to follow the fish, so their catch was substantially reduced.

This situation began to be apparent in the statistics for June and July, and in August a formal request for assistance was received from the fishermen's organization, namely the Newfoundland federation of fishermen, emphasizing their desire for a works program.

I think the fishermen's attitude should be commended in that what they were desirous of obtaining was a works program. These fishermen are a self-reliant, industrious group of people, and we were impressed with their request. As soon as the situation became clear, discussions were arranged in St. John's by officials of the federal Department of Fisheries with officials of the fishermen's federation and officials of the provincial government. This was followed by negotiations between the two governments through which agreement was reached to proceed with a twofold program of local work projects based on (1) taking maximum advantage of the municipal winter works incentive program which had been extended to include unorganized settlements for the first time and (2) special work projects in those fishing settlements where the fishermen had been unable to secure their normal production.

The joint federal-provincial program which has been undertaken will result in some $80,000 in additional work in fishing settlements under the regular municipal winter works incentive program and approximately $350,000 of work under the special program, the federal share of which is covered by this particular vote. The figure of $350,000 includes an estimated $50,000 to be contributed by the government of Newfoundland, which agreed to meet 25 per cent of the labour cost of this special program.

Under this program special work projects have been or are being carried out in 415 fishing settlements on the east and southeast coasts of the province and in southern Labrador. Some 12,000 fishermen live in these settlements. The total expenditure of approximately $430,000 makes up for over one third of the decrease in income from fishing compared with 1960.

Responsibility for local administration of the program has been assumed by the provincial government. Reports coming to me indicate that a wide variety of local projects ranging from road extensions to improvements to slipways for small fishing vessels have been going forward.

If the committee is interested, I might give two or three examples. For instance, at Bonavista there is an item of $4,925 for the preparation of a public playground for children and repair of the road to Cape Bonavista lighthouse which is an attraction for tourists. At Grate's Cove there is an amount of $3,150 for the building of roads to the public slipway and the repair and ditching of roads throughout the community. There is an amount of $4,550 at Petty Harbour for the widening and repair of roads throughout the general area and the erection of guard rails and retaining walls along the Yellow river. At Seldom and Little Seldom there is an item of $4,200 for the reconditioning of local roads and the construction of a new road to tie in a number of new settlements. At Fogo there is an item of $5,425 for repairing and widening of local roads and the filling in of a creek near the ocean which has been used as a disposal area for garbage and sewage. The latter project is being done at the suggestion of the medical health officer. At Change Islands there is an amount of $4,270 for brush cutting for a snowmobile road.

I could give other examples, but I do not think it is necessary for me to take up any more of the time of the committee. However, if the debate goes on for several days, as it did on the previous item, I should like to say that I will demand the right to hold forth perhaps at considerable length on several occasions.

Mr. Pickersgill: Mr. Chairman, just before the hon. member for Burin-Burgeo begins, in view of the geographical distribution of the house I wonder whether the Minister of Fisheries would mind moving somewhere nearer the middle of the house for the benefit of those of us who are slightly hard of hearing.

Mr. Carter: Mr. Chairman, I should like to put a few questions to the minister arising out of the statement he has just made. If I understood the minister correctly, he said that the present winter works program which is being carried out, and for which this item is intended to provide the necessary funds, is being carried out at the suggestion of the Newfoundland federation of fishermen. It was not my understanding that the federation of fishermen requested this particular kind of program. I thought what they had in mind was a marine works program. I wish to ask the minister whether any consideration was given to substituting a marine works program for the present roads program,

or even including it in the present works program, and for what reason that was not done. Second, is the program that is now being carried out related in any way to the report which the minister received from Mr. Ian McArthur of the Department of Fisheries, who was sent to Newfoundland to make a survey of the particular needs of the fishermen of our province? I should like to know what recommendations, if any, Mr. McArthur made.

Mr. MacLean (Queens): To answer the last question first, if I may, this item and the program are based almost entirely on the suggestions that were made by Mr. McArthur and the officials of the provincial government and others in Newfoundland with whom he had discussions. All things considered, it was felt by the officials and the government that this program would most nearly meet the problem.

There are a number of marine works projects going on under the regular program of the Department of Public Works which are in addition to this provision, of course, but such programs as marine works are fairly large items. The hon. member is far more fully aware than I am of the difficulties involved in trying to make work available to people who are spread along a great coast line, and these larger projects are carried out in isolated places. We were trying to find a program which would have application almost everywhere, because naturally there was little relationship between the catch in any particular area and what works programs could be effectively carried out there. The catch was down in areas where there are already new wharves and in some cases where we have built community stages. It would not be feasible, of course, to build another stage or anything else that was not needed in that area. We were trying to find a plan that would have wide application and would be beneficial.

It has been suggested that wharves and larger projects would be more suitable, but the difficulty is that these large projects would have the effect of providing a very desirable amount of employment in one particular area where they were being built, but they would provide no benefit at all for fishermen who were some distance away from them. We are trying to evolve a program with a much wider application.

Mr. Carter: I think the minister misunderstood the main point of my question. I quite understand that you cannot build wharves everywhere. If a community already has a wharf you do not build another just to make work for somebody. This is not what I had in mind. What I had in mind, and I thought I stated it clearly, was this. Why not include that type of program in this winter works scheme for communities where it can be done? This was the question I had in mind. However, marine works have been excluded even from communities where they are needed and could be usefully carried out. I should like the minister to clarify that if he can.

While I am on my feet I have a couple of more questions which perhaps I should put at this time. Was any consideration given to extending the same principle of payments to the fishermen that was incorporated in the acreage payments to farmers which we have just voted? Was any thought given to using the administrative machinery of the unemployment insurance commission to distribute the funds directly to the fishermen?

Mr. MacLean (Queens): Consideration was given to the general idea that the hon. member mentions but it was found not to have practical application, because the situation of farmers and fishermen is entirely different. It is true they have many things in common. They are both primary producers of food. However, when you have said that you have gone about as far as you can go in making a valid comparison between the situation of fishermen and farmers. In the case of fishermen it is more difficult to measure the amount of effort or equipment used in attempting to catch fish than it is in the case of a farmer where the extent of a man's operation and his industry are there for all to see. I might be missing the point the hon. member has, but I must say that this situation was taken into consideration.

I neglected to answer a previous question, but the request from the federation of fishermen was for a work program, and they gave a considerable list of suggested schemes, including the types that are covered by this vote.

Mr. Carter: This principle of extending equal treatment to all Canadians, Mr. Chairman, is to me a sound one. The minister has not said anything as yet to convince me that it is impossible to extend the same principle to distressed fishermen that we have applied to relieve the needs of distressed farmers. We have in front of us today a sheet of further supplementary estimates which contains four items. The first two of these items are allocations to relieve distress. The first item, the one with which we have just dealt, is to relieve the needs of distressed farmers. The one we are discussing now is to relieve the needs of distressed fishermen. This sheet itself bears concrete evidence of the discrimination that is taking place.

I should like to deal with this discrimination under four headings. The first heading is the reason for it. The reason given by the minister on Friday, and on subsequent occasions since, for making acreage payments to farmers was to supplement their income. He did not make any reference at all to the amount of effort they put forth or anything like that. All that was required was a permit book and 200 acres of land and they could get $200. It was purely a measure to compensate for the low income which has resulted from the vagaries of nature over which the farmers had no control whatever.

Perhaps it would be worth-while to put on the record the statement the minister made on Friday in that connection. I am reading now, Mr. Chairman, from page 245 of *Hansard* for January 26, 1962: The minister had listed the four reasons for making acreage payments to farmers, and then he went on to say this:

> This year there is a very important additional reason why a payment of this kind should be made. It is to be found in the reduced farm income, particularly of people in certain areas of western Canada due to the drought which took place there last year. This drought in the long run did not prove as devastating and serious as at one time was believed would be the case, but nevertheless it did have very serious effects which are particularly apparent in the income position of many farmers in western Canada. How serious that is can be shown by comparing the average wheat yield this year with that of previous years. During the past crop year the average wheat yield is estimated to have been 10.4 bushels per acre, whereas for the previous five years it was 19.7 bushels per acre. In other words, this year's yield was not very much more than half of what had been secured on the average in the previous five years. This gives a good indication of the situation in which many farmers will find themselves, and demonstrates the necessity of assistance in the form proposed.

Well, that is a very clear statement, Mr. Chairman, as to the reason for these payments. The need applies identically in the case of the fishermen. They are suffering from reduced income, just the same as the farmers. They have to live; they have children to feed, families to support. They have the identical needs of the farmers. In addition to that, they have to make some provision in order to be in a position to continue their occupation when the season opens.

There is one important difference in the case of the farmers. The minister stated that their income was down almost half because of the poor crop yield. In other words the crop this year is little better than half what it would be in a average year but, in the case of many fishermen, it is much worse than that because they had no crop yield at all. I know many of them in my own riding whose crop this year is only about 25 per cent of what it was last year, and it must be remembered that last year was a poor year. The percentage would be less than that if we were to compare last year's yield with the average over the past five years, as was done in the case of the farmers.

Fishermen have as great a claim to aid as the farmers and I believe, when distress is to be relieved, compensation for the fishermen should be on exactly the same basis as it is for farmers. To treat fishermen differently is tantamount to discrimination. The sheet I hold in my hand gives evidence of discrimination in the form in which the assistance is to be paid. In the case of the farmers we have a very special measure of assistance, particularly designed for them, and with no strings attached.

When I am speaking on the subject I should like to point out to my hon. friends that this asistance is not the only aid being given to the farmers. It comes on top of other assistance which they can receive by way of Prairie Farm Assistance Act grants and other grants. But, so far as fishermen are concerned, there are no other payments by which their income can be supplemented. This is the only one; but when payments are made to farmers we do not include that aid in an expanded works program. We do not provide it in such a way that it would apply equally to small prairie town merchants and to labourers. The measure is applicable to farmers, and farmers only. On the other hand, in the case of fishermen the aid for them has to be fitted into some sort of winter works program, not specifically designed for fishermen and which cannot be administered in a way that will benefit fishermen alone.

The third discrimination which appears in this sheet is the amount. A farmer may receive up to a maximum of $200, in addition to other payments under other farm legislation. However, while $300,000 is provided for fishermen it is conditional upon the provincial government also making payments. The acreage payments to farmers are not conditional on anything done by the provincial governments in the prairie provinces, and I would like to know why fishermen are singled out for such treatment.

The $300,000 being made available for fishermen is contingent upon a contribution of 25 per cent of the labour content of the program being made by the government of Newfoundland, and that government must also complete the rest of the usual roads maintenance program, which will cost $80,000 from the middle of October. Thus, the federal government is providing $300,000 on condition that the provincial government puts up $80,000 and $50,000. All these conditions are attached before a fisherman can get one cent. But even when these conditions are fulfilled

what will he get? Our premier has worked it out at about $20 per fisherman simply because this $300,000 is not all to be spent on labour. It is for roads, bridges and some of the other things the minister mentioned this afternoon. Materials have to be bought out of that sum and so the amount a fisherman will get will perhaps be around $20, to meet the needs of his family for the whole of the winter.

There is a further, additional discrimination because when we look at the first item in the supplementary estimates we see that the government itself takes full responsibility for the administration of the payments to farmers. It states:

> Payments to western grain producers to be distributed on the following basis, namely, $1 per cultivated acre up to a maximum of 200 acres per farm in accordance with regulations of the governor in council.

However, when it comes to relieving distressed fishermen the federal government takes no responsibility for the administration of the fund. It is to be administered in the best way possible. The minister pointed out the difficulties however when he said the $300,000 has to be spent in hundreds of settlements scattered around a 4,000 mile coast line. Since the government takes responsibility for administering aid to distressed farmers why can it not take the same responsibility for administering aid to distressed fishermen? Why has it refused to take that responsibility? I would like the minister to answer that question when he replies.

In his introductory speech I understood him to say that the winter works program is really the suggestion of the fishermen's federation, and that everybody in Newfoundland is in agreement with it. I am sure the government received advice from provincial authorities pointing out that such a type of winter works program is not really suitable because most of the settlements in question cannot carry out that kind of program in the winter months. It just cannot be done, and if equipment has to be used then the labour content is whittled down.

There is no administrative machinery to administer this grant. Some 575 settlements had road work done last year and I presume this item is related to the moneys already expended in those settlements. As I said already, most of these settlements are isolated and are scattered around a 4,000 mile coast line. There is no administrative machinery, yet the federal government expects somebody in the provincial government to take responsibility for administering this aid.

In addition to the difficulties of administration there is the further difficulty of discriminating between one fisherman and another as to which should receive work. In other words, somebody in a settlement has to devise a means test in order to be able to say to one fisherman "you earned enough this summer, your catch was not too bad so you cannot get in on this program", and to another fisherman "your catch was down and you are entitled to participate." In other words, somebody has to select people in the community to work on a winter works program and refuse work to others. Not only that, but there is the difficulty of deciding borderline cases, when the fisherman is perhaps a borderline case and is in need, or perhaps a logger or labourer who has been out of work and not able to meet the needs of his family. These people need this assistance just as much as the fisherman who has had a poor catch. But the government washes its hands completely of any responsibility of administering this fund. It throws the whole problem into the lap of the provincial government, the municipal authorities, the local roads boards or whoever is willing to accept it. It does not lay down any direction for them with regard to the way this money is to be administered.

I wish to say to the minister that I am not against this item of $300,000. It is better than nothing. I suppose even $20 will buy something. However, when you break it down to a family it is only about 13 cents a day per family, or about 3 cents per head per family, and I do not know what they will get out of it. That is what it amounts to. When we contrast that with the way we help farmers, it defies words to describe the comparison.

An hon. Member: Watch yourself.

Mr. Carter: Yes, I will watch myself. My blood pressure is getting up. Certainly the time has come when we should not discriminate between one group of Canadians and another. When we make that kind of discrimination between groups that are in distress, in my opinion it is a most shameful thing to do.

Mr. Howard: Mr. Chairman, I regret that the item before the committee has no direct application to the fishing industry on the west coast. However, because all of us in this house should concern ourselves as much as possible with matters affecting other sections of the country and the economy I should like to make one or two comments with respect to this item, even though it is far removed from my constituency and British Columbia and is in fact confined to the province of Newfoundland.

During the last couple of days we have been listening to the debate which has just concluded regarding the $1 an acre payment

to western grain farmers. In view of that debate I felt sure the Minister of Fisheries would revise his thinking and introduce an additional supplementary estimate based upon, say, $5 per foot per fishing vessel or something of that nature, in order that the assistance given from the public treasury to some of our people in the basics of farming and fishing would bear some equitability.

The hon. member for Burin-Burgeo dealt quite extensively with the theme that the item before us represents, in a number of aspects, an approach to discrimination as between fishermen and farmers. I agree with him in this regard. However, I think we must extend this concept of discrimination to types of fishermen and fishermen in different locales. I say this because certainly the salmon fishermen in British Columbia for two consecutive years, and especially two seasons ago, were disastrously hit by poor salmon runs, a poor catch and the like.

One of the worst salmon fishing seasons in the last 50 or 60 years took place two years ago on the west coast and many of the salmon fishermen there—this industry composes a large section of the economy of the province —went deeply into debt. Many of them went completely bankrupt because they just could not stand the economic situation that resulted from the poor salmon season.

We agreed to pay $1 an acre to western farmers because of drought conditions; but if drought conditions affect the salmon industry, the government tends to disregard the fact, although it is substantially the same sort of condition. Salmon fishermen were hit by drought on the coast when spawning creeks or salmon creeks dried up because of lack of rain. When this occurs the Department of Fisheries steps in and closes the season to allow for the greater escapement of spawning salmon upstream so that two or four years hence on the return we might expect a larger salmon run than would otherwise be the case if we engaged in catching a large number of salmon.

This is a deliberate action on the part of the Department of Fisheries on the west coast as a result of drought conditions that affect the income and the catch of fishermen out there. We do not see any indication of any concern, or of any approach either in the supplementary estimates before us or in any of the main estimates that I can ever recall participating in studying, for any special consideration for fishermen on the west coast of this nation. I think this is also a form of discrimination.

The herring industry on the coast was in the doldrums for a couple of years. In addition to the salmon industry, the whaling fleet has been tied up as a result of several factors, and the income of the people following these particular fisheries of salmon, herring and whaling has not been too good in the past few years. I do not wish to complain too much about this because I realize it is not specifically covered by the item before us. We are concerned with contributions toward a special Newfoundland winter works program. I only mention that similar conditions existed in the province of British Columbia in other fisheries and would plead with the minister to take into account these conditions which exist on the west coast of Canada as well as those which exist on the east coast, in order that some balance and equitability may come into play in considering what assistance and help may be given from the public treasury to these primary producers.

Last session, I believe, we had some discussion about the attitude developing amongst west coast fishermen toward what relatively speaking, is considered to be an inordinately large degree of concern by the government with respect to fishermen on the east coast. We found that in the past the Fisheries Prices Support Act applied almost entirely to east coast fisheries products. To my knowledge it has never applied to the west coast. We found that there was special assistance to the Newfoundland bait service, to the east coast salt fishery, special assistance with respect to the construction of fishing boats, and the like. All this leaves the west coast fisherman, as has been explained to me, with wonderment in his mind as to whether or not he is being discriminated against. He is not complaining about the fact that this help and assistance is being given to his fellow fishermen on the east coast, but merely concerned as to whether or not this represents a form of discrimination.

I say to the minister, as did the hon. member for Burin-Burgeo, that if it is considered fair and equitable that the public treasury should assist western grain producers because of drought conditions to the extent of $1 an acre, I think it is a bit of an insult to give the fishermen in Newfoundland an amount of $300,000. It is an even greater insult to disregard entirely the salmon fishermen of the west coast who have been in equal difficulties as a result of a poor harvest of fish.

Mr. Batten: It does seem to me that there is a good deal of disparity between the treatment we have seen accorded to western farmers in the last two days of our debate and the treatment which is now accorded to the fishermen of Newfoundland.

Let me say at once that I am not objecting in any way to the assistance which has been given to western farmers under the first item. I think most people in Canada will recognize

that the past summer, as well as other summers of recent date, have been difficult times for farmers living in the three prairie provinces. Since these people are suppliers of food engaged in a primary industry I think it is fair in such circumstances that the federal government should help them on the grounds that their normal way of making a living has been interfered with by difficulties not of their own making. The Acting Minister of Agriculture used the argument the other day that if the western farmer were assisted during a period when his income was below normal, such assistance would eventually spread out to all parts of the country and the country would be better off in consequence of such assistance having been given. I think that is a fair argument. But if that argument is fair as applied to farmers who work in the three prairie provinces it is surely equally fair when applied to the fishermen of Newfoundland. At the moment I cannot understand the difference between the payments accorded to the fishermen of Newfoundland and those which have been accorded to the western farmers. Perhaps the minister will explain to me later where the difference lies.

Let us look at the amount themselves. I recognize that amounts and figures in themselves do not tell the whole story. Nevertheless, they have some significance. In the first place, as the minister told us the other day, about a quarter of a million farmers—not quite as many, according to the figures he used—are to be paid a total of something over $40 million, or an average of $178 per farmer. In Newfoundland, this amount of $300,000 will mean the payment of about $20 per fisherman under the present scheme. If that latter payment were accorded to the western farmers the vote which we have just approved would have amounted to approximately $5 million instead of $40 million. Let me put it in another way. The population of the three prairie provinces is approximately seven times as great as that of Newfoundland. If $300,000 is to be given to Newfoundland on a per capita basis—I am not arguing that it should be done in that way—then that sum would correspond to a little more than $2 million for the western farmer. These are just ordinary figures which do not tell the whole story but they do show the disparity between the treatment of both sides, and it is a disparity which I think the minister ought to explain.

There are other disturbing features about the plan which has been set up to aid the Newfoundland fishermen. In the first place, under the present scheme the Newfoundland fisherman has to go out and earn the amount of money he is intended to receive under this program. I have no objection to that. But as far as the western farmer is concerned, the money will go to him, according to the minister today, whether he is in need of it or not. The farmer concerned will receive the money because he has a permit book and because he has a certain number of acres under cultivation. True it is, according to the minister, that a number of prairie farmers had their crops reduced by 50 per cent during the past year.

Mr. Browne (St. John's West): May I just remind the hon. member of this: did the acting minister not say that the total crop was down by nearly 50 per cent? I have it right here.

Mr. Pickersgill: That is right. That is what my hon. friend just said.

Mr. Browne (St. John's West): It is a very different thing.

Mr. Batten: A different thing from what, may I ask the hon. member for St. John's West?

Mr. Browne (St. John's West): A different thing from what you said. The hon. member said some were down by 50 per cent. The minister said yesterday as reported at page 314 of *Hansard*:

> I said that drought conditions throughout the west as a whole had resulted in little more than a half crop, and that applied all throughout western Canada.

Mr. Batten: The minister's knowledge of statistics amazes me. If the average crop brought in by the western farmer is 50 per cent of the normal crop then obviously some farmers were down more than 50 per cent and some not as much as 50 per cent. When we say that the average crop was down by 50 per cent we are saying that a large number brought in a crop of far less than 50 per cent as compared with the year before. Surely, that is understandable.

Mr. Browne (St. John's West): That is not what you said.

Mr. Batten: If the hon. member for St. John's West will sit in his seat and allow me to say what I want to say he would find out exactly what I have in mind and what I intended to say. I am very surprised that the hon. gentleman should be standing up now trying to say something for the fishermen of Newfoundland. I hope he will.

Mr. Browne (St. John's West): Give me a chance.

Mr. Batten: Another thing is this: The money paid to the western farmer is paid by cheque. The money paid to the Newfoundland fishermen has to be worked for. In addition, the money paid to the western farmer has nothing to do with the provincial government. However, as far as Newfoundland

is concerned, the province has to make a contribution, otherwise the federal government does not pay anything. One of the strings attached to the payment made to Newfoundland is that the province must make some contribution. I think this is a significant difference.

One of the most serious differences is the fact that when the money was paid to the western farmer the whole plan was administered by the federal government. I shall not deny that administering this plan with respect to the fishermen of Newfoundland may be difficult. However, it might well be difficult to administer it in respect of the western farmers. I do not understand why the administration of this program in Newfoundland should be placed upon the shoulders of Newfoundland officials.

There are many things which could have been done in some places—not in all places—which would have produced a much greater benefit than is likely to be produced by the present scheme.

When the minister spoke a short while ago he said that much of the plan had been concentrated around the east and southeast coasts. My riding includes the northern section of St. Barbe and there we have many small settlements which even yet have no wharf or breakwater. I think the most sensible assistance which could be given to these people would be to enable them to go into the woods and cut timber so that in the spring they might build their wharf or breakwater. I recognize part of the argument used by the minister, namely that this plan would work only in some places and give work to only a few fishermen. But in many cases these are the very people who are affected by the crop failure among the fishermen of Newfoundland. I believe they could be assisted to a greater extent by some such plan. I can think of many places along the west coast where the fishermen would have benefited greatly if they had been given the opportunity to engage in some public works project rather than the one that is now recommended by the Minister of Fisheries. When the minister replies I hope he will tell us how many fishermen are concerned in this plan, according to the survey which he has made in Newfoundland; where these fishermen live or where these places are; and how the fishermen are going to be assisted as well under the plan he has proposed as they would have been assisted under a plan similar to that which has been proposed for the western farmers.

Mr. Granger: I should like to associate myself with the remarks made by the hon. member for Burin-Burgeo and the hon. member for Humber-St. George's. Previously I have contended—and I thought my contention was a reasonable one—that the Canadian fisherman should receive the same treatment as that received by the Canadian farmer. It seems to me to be quite obvious that such is not the case. As a matter of fact, as can be seen from the sheet which is now on our desks, a comparison between what is written under "Agriculture" and what is written under "Fisheries" would seem to point out that a great gulf exists between these two producers; I refer to the farmer who produces grain and the fisherman who produces fish. Nevertheless both are essential to the Canadian economy. Both are engaged in basic industries. Each in his respective area is equally important.

The case for the Newfoundland fisherman, or perhaps I had better say "the Canadian fisherman", in my opinion has never been given the serious consideration it deserves. There may perhaps be on the part of those in government a lack of knowledge of the real needs. Without going into the whys and wherefores, certainly the fact is—and it is more apparent today than ever before—that the Canadian fisherman is not getting the same consideration as the Canadian farmer. His problem is not looked upon in the same light. The whole concept of his needs evidently is different from that of the needs of other producers.

In connection with the works program I should like to say that I am one of those who believe that a program of marine works and a program of supplying material for fishermen, would be better than the one which has been decided upon. The minister pointed out —and quite reasonably, I would say—that large marine works such as community stages would mean a considerable amount of work in one locality and none in others, and that there would not be the same spreading of work. This objection would hardly apply if small marine works were considered and if assistance in the way of material for fishermen to repair their traps, their nets and their stages were to be supplied.

I think the minister also said that it was difficult to assess a fisherman's property compared with a farmer's property. The fisherman's property consists of his boat, his trap, his stages and his flakes. They are all very real and tangible assets which can be seen and appraised. Small works have proven to be valuable to the fisherman. I refer to things such as small wharves, small landing docks or small breakwaters. These things require no argument to support them because it has been amply demonstrated over the years that where these works are supplied fishermen can carry on their vocation much better, that the fishing season is quite frequently lengthened

and that the fishermen's activities are facilitated with the result that the income of the individual fisherman is increased.

If I may, I should like to mention community stages here and to say that this argument applies to them to an even greater degree. If there was one program which was wisely conceived, it was the community stage program. It has been a source of bitter disappointment to me that more of these stages are not being built at the present time.

As to fishermen's property may I say that, owing to the fact that their income was low during the past year, many fishermen will face the coming year with traps that are really unfit to use, engines that are not really serviceable and boats that badly need to be repaired, to say nothing of their stages, flakes and so on. It seems to me that if assistance were given to fishermen to purchase materials so that they could put their property in shape, they themselves supplying the labour, so that when the fishing season starts they could more efficiently prosecute the fishing, two extremely worthy objectives would be accomplished at the same time. Relief would be given to the extent that materials which they needed, and which they would not be obliged to buy, would be supplied to them thus saving their meagre cash, and production would be increased as they would face the fishing season with more adequate equipment with which to do their work.

Apart from everything else, it seems to me that a real chance has been missed to accomplish something worth while and at the same time to give relief to people who badly need it. The fact is that there are many fishermen—and I am speaking of my own riding—who this year had a very poor fishery; they suffered a real crop failure. They need the kind of assistance which would permit them to become self-sustaining, independent and, one would hope, prosperous citizens of Canada during the coming year.

I shall not repeat what the hon. member for Burin-Burgeo who spoke earlier said about a different approach or a different method of handling this relief, except to say that I agree entirely with what he said. However, I would say that the time must come when the Canadian fisherman is considered on a basis of equality with the Canadian farmer. His problems must be approached with the same attitude of mind. In the fisheries of Canada we have an industry which, although very old, is still very important and in many respects still shows amazing vitality. It is of benefit not merely to the fishermen themselves but to all of Canada. In the province of Newfoundland alone the industrial areas of Canada have a great captive market. It is to the benefit of Canada as a whole that the fisherman be given the recognition which he deserves. In asking for that I am not asking for special consideration. All I am asking is the ordinary consideration usually accorded to Canadian producers.

[Mr. Granger.]

Mr. Keays: Mr. Chairman, we have been listening to hon. members from Newfoundland plead the case in favour of their fishermen. Frankly, I cannot object to such a plea because the fishermen of my riding are in much the same situation. I believe that the problems of the Magdalen islands are quite similar to those in Newfoundland. The fishermen of Newfoundland catch a good run of salmon at a certain season of the year. When the cod run comes the fishing may be good for a short period of time but during recent years there has been a failure during two months of the fishing season. In my riding lobster fishing is the greatest revenue producer. However, the fishing season lasts only four to six weeks and in 1961 the season was shortened by three or four weeks because of the lateness of the arrival of spring.

However, having heard members from Newfoundland speak about their problems, I should like to refer them to the last report of the Department of Fisheries where I find the following on page 89 with respect to the Atlantic coast fisheries:

> With the exception of Quebec, all Atlantic provinces registered increases in the volume of landings.

On page 90 there are these words:

> Newfoundland small-boat fishermen started the summer season with record landings in May and June but by midsummer the entire situation changed and catches began to dwindle.

Where I differ from them is—

Mr. Browne (St. John's West): I wonder whether I could ask the hon. member what year that is?

Mr. Keays: This is 1960.

Mr. Pickersgill: We are talking about 1961.

Mr. Keays: I believe that I heard the same plea from the hon. member for Bonavista-Twillingate in 1961 as in 1960.

Mr. Pickersgill: No, it was in 1958, and I will have something further to say about that.

Mr. Keays: The solutions to the problems which have been advanced by the hon. members we have heard have involved the construction of stages, the construction of ports, wharves and so on. If we are going to have the same situation occur every year, we are soon going to run short of land on which to build wharves and these other projects. In my opinion the solution does not lie in the

construction of these projects but rather in the finding of new species of fish and the development of new methods of catching and processing the product and improving its quality.

I remember speaking on this matter last year. At that time I pointed out to the hon. member for Bonavista-Twillingate that if the weather was not favourable in Newfoundland for the drying of codfish the fish could be sent to the Gaspe peninsula where the weather was more favourable and the cod could be sold as Gaspe cured cod, which brings the best price on the market.

Mr. Pickersgill: That would not help fishermen much who caught none this year.

Mr. Keays: No, but those who did have some catch would certainly be better off so far as revenue is concerned. On the Magdalen islands there is an investment by the fishermen of approximately $2½ million with a fishing revenue at market prices of approximately 3¼ million resulting in revenue to the fishermen of $1¾ million. Seventy five per cent of that amount is earned by 60 per cent of the fishermen leaving 25 per cent for the other 40 per cent of the fishermen. To put it in another way, 40 per cent of the fishermen of the Magdalen islands have a revenue of approximately $600 per year each. Surely we will not have to move that 40 per cent of the population to some other area of Canada as was suggested in the Gordon report.

In the province of Quebec the activities of the federal Department of Fisheries are limited to consumer matters. In 1959 the inspection services were taken over by the federal government. I have here an item from the *Fundy Fisherman* reporting the following statement by a bacteriologist of the Icelandic fisheries laboratory:

> There is no doubt but that the system of fish inspection used in Canada has no peer anywhere in the world. In fact, the inspection techniques now being used in Iceland are based primarily on Canadian standards.

This is one contribution that has been made by this government to the fisheries of this country. There are many problems to be dealt with because in the province of Quebec a provincial department administers the fisheries. If they cannot find a solution to the problems, there is no doubt that the federal government, while not taking over the administration of the fisheries, should take the lead in co-operation with the fisheries department of that province in studying ways and means to improve the revenue of the fishermen.

In this regard I should like to point out that in the region of the Magdalen islands there are prolific herring grounds and in the spring of the year tremendous schools of herring gather around the islands. Unfortunately, however, because of weather conditions and other reasons the herring move off shore some 10 or 12 miles or possibly more. During the herring run many boats come from the provinces of Newfoundland, Nova Scotia, New Brunswick and Prince Edward Island to pick up herring in the Magdalen islands and during the few weeks of the run the revenue to the fishermen is tremendous. I think there is a wonderful opportunity of being able to increase the revenue of the fishermen by further study with regard to the summer habitat of the herring and the development of additional technical knowledge or by the erection of structures which would give the fishermen of the Magdalen islands the opportunity to know where the herring are, so that those who cannot earn sufficient revenue from the other groundfish might pursue the herring fishery for a longer time.

As hon. members know, in British Columbia herring fishing is an important industry, but in 1960 there was a sharp decline in the market value of the product which practically forced the closure of the industry there. However, the fishermen, the buyers and others got together, examined the situation and decided it was much better to have half a cake than no cake at all. The herring fishery in that region, the stoppage of which had naturally affected the livelihood of many people, was reopened and the fishermen harvested approximately 150,000 tons giving them a revenue of $4.5 million. This $4.5 million was definitely a great help to the west coast fishermen. I am sure that if we gave this problem further study we could improve the income position of the fishermen of the Magdalen islands tremendously.

There are probably many other ways in which these fishermen could be helped. As yet, I have not met anyone who has been able to apply the same system by which the western farmers are helped to the fishermen of this country. If anyone comes along with a proper suggestion, then I would be the first one to support him in the hope that payments such as were made to the farmers could be made available to the fishermen of the east coast, especially those of the Magdalen islands who are so seriously affected by the lack of fish.

Mr. Pickersgill: May I ask the hon. member if that is a promise?

Mr. MacLean (Queens): There is one thing I want to say at the outset and that is I believe every hon. member of this committee would have as his objective complete fairness and justice as between all segments of the economy of this country. Some members of

the committee, however, are not willing to concede that this statement applies to members on the government benches. I want to say that a fair comparison of the situation cannot be achieved by comparing things that are not comparable. You cannot arrive at any basis for a just estimate if you compare horses with rabbits and start from that premise.

First, I want to say a word about the situation so far as production is concerned. There have been comparisons made on the basis of these two items in the estimates and it was stated the Newfoundland fishermen were being discriminated against. Statements were made to the effect that this vote is an insult to the fishermen when $42 million is being provided for western farmers. I should like to point out that for the whole area covered by the acreage payments, production is down about 50 per cent. This production has an aggregate value of about $400 million, in very rough figures. The item that has been voted is about 10 per cent of that.

In the case of the Newfoundland fishery, taking it as a whole, the income of fishermen in 1961 as compared with the average for the previous three years is down 1 per cent.

Mr. Pickersgill: What about 1960?

Mr. MacLean (Queens): I am talking about 1961 as compared with the average for the previous three years.

Mr. Pickersgill: Would the minister permit me a factual question on that? He made a comparison of the western farmers' situation between 1960 and 1961. Would he take the same two years for Newfoundland?

Mr. MacLean (Queens): I am not sure that I have those statistics.

Mr. Pickersgill: That is the comparison.

Mr. MacLean (Queens): This basis would vary the deduction somewhat, but it would only be in degree. I should like to point out that—

Mr. Carter: Would the minister permit another question on that same point?

Mr. MacLean (Queens): Yes.

Mr. Carter: When the minister says production—I thought he said it was down by 1 per cent—

Mr. MacLean (Queens): That is the value.

Mr. Carter: It is down 1 per cent in value, but is that the total cash including fish landed by draggers? Does that figure relate only to the shore fishermen?

Mr. MacLean (Queens): It is income per fisherman.

Mr. Carter: That includes all fishermen?

[Mr. MacLean (Queens).]

Mr. MacLean (Queens): That is right.

Mr. Carter: Does the minister not have the figures for the shore fishermen, the ones we are supporting?

Mr. MacLean (Queens): I have the figures by areas, these are statistical areas, and area A was down compared with the previous three year average by 16 per cent. I shall name these areas around the coast of Newfoundland clockwise. Area B was down 3 per cent; C was down 10 per cent; D was up 14 per cent; E was down 25 per cent; F was down 5 per cent; G was up 10 per cent; H was up 6 per cent while area I was up 23 per cent. I am now getting into Humber-St. George's, although I may still be in Burin-Burgeo. Area J was up 69 per cent; K was up 21 per cent; L was up 7 per cent; M was up 8 per cent; N was up 11 per cent and area O was down 23 per cent.

Now, in addition to that, although this has very little direct bearing on the situation from which the fishermen suffered last summer, I am happy to report and I think all hon. members would be happy to know, that at the present time fresh fish are bringing the highest price on record along the south coast of Newfoundland. Certainly, it is the highest price since union with Newfoundland. I give hon. members full credit for sticking up for their constituents and for the industry in which those constituents are engaged. I do not object to this. However, when they say, let us treat the fishermen in exactly the same way as we treat the farmers, I should like them to think of some of the things they would be forfeiting as well as some of the things they would be gaining before they take that step.

Mr. Pickersgill: Like P.F.A.A.

Mr. MacLean (Queens): Would the hon. gentleman suggest that fishermen should not be entitled to salt assistance, to unemployment insurance, to a subsidized bait service or to a subsidized vessel building program under which this government has increased the rate of assistance from $155 a ton to $250 a ton? There are no comparable things done for farmers. I am willing to admit right away that, on the other hand, there are things that are done for farmers that are not done for fishermen. It is not all one-sided.

I may have misunderstood one hon. gentleman who spoke previously, but I thought he objected to us requiring a contribution from the provincial government. I must say this contribution was not a requirement, it was a voluntary contribution. In this connection, I should like to quote what the

premier of Newfoundland said in connection with the circumstances under which this program was evolved.

Mr. Pickersgill: Would the hon. gentleman quote the messages right from the beginning so we can have the whole sequence of events and ascertain how this came about?

Mr. MacLean (Queens): This would be very involved. I am not sure I have a complete file with me. There is a thick file of correspondence, and it would take at least the rest of this day if I were to read it.

Premier Smallwood had this to say, as reported in the daily *News* of December 1, and this is a direct quotation:

The discussion—

—referring to the discussion taking place between officials of the federal Department of Fisheries and the government of Newfoundland—

—was very thorough and exhaustive and was conducted in a spirit of cordial co-operation, all present sharing a strong desire to work out the details as quickly as possible so that the benefits of the scheme may be brought to the fishermen with the least possible delay.

He went on to say:

In connection with this extra amount of $300,000 the government of Canada have accepted the offer of the Newfoundland government, made by me a few weeks ago, to pay 25 per cent of the total labour cost of the winter works projects that are carried out with this money. A considerable number of federal marine works and other public works projects have been carried out around the coast line of Newfoundland, and some are still in course of construction, and it is hardly necessary to say these special winter works will not, for the most part, be carried out in places where these larger jobs have gone ahead or are now going ahead.

The Canadian Department of Fisheries and the Department of Labour and our own Newfoundland department of fisheries and department of highways are working closely together, in the friendliest spirit possible, to get the whole scheme working without delay so that the benefits may be felt as soon as possible.

Now my department, in perfectly good faith and trying to do the best thing possible for the fishermen in Newfoundland, and trying to evolve a program which would be just, as compared to programs that are evolved for other parts of the country, not only for other industries but for other parts of the fishing industry, has evolved this scheme.

In that connection it is interesting to note that the hon. member for Skeena, in his contribution to this debate, helped to point out how very difficult it is to be absolutely fair and to be sure that justice is done to all. He said that the fishermen in his riding consider certain things are done for fishermen on the east coast which are not done for the fishermen on the west coast and he maintained that the government is prejudiced in favour of fishermen on the east coast. I do not think that is so because, comparing fishermen with farmers, when you compare fishermen on the east coast with fishermen on the west coast you have two different situations to consider. There are vast amounts of money spent for fish ladders and that sort of thing for fishermen on the west coast, to make it possible for the salmon harvest there to be continued, while moneys are not spent to the same extent on the east coast.

Having said that, I now turn to the problem of fair administration. It is fair to say that the provincial government through its municipal roads system which is already set up in all of these areas, and which functions every year, was the most reasonable avenue to reach into all these little communities. There is also the problem that there is a great variation between one little area and the next, and even between one fisherman and the next. Therefore the local people who are on the ground would be best able to say where jobs were most needed. Such people located on the coast would know the situation much better than any official from Ottawa.

A scheme was suggested by hon. members whereby needy fishermen could be given grants or material for repairing their boats, equipment, and so on. On the face of it it is a fine idea. It just sounds wonderful; but on studying it we very quickly concluded that it is one which would be absolutely impossible to administer. To arrive at any degree of justice not only would you have to have a means test for a fisherman but you would have to determine what his income was.

Mr. Pickersgill: You did not have a means test for the acreage payments.

Mr. MacLean (Queens): I admit that, but I say that if we were trying to be fair—

Mr. Pickersgill: Then you were not with the acreage payments?

Mr. MacLean (Queens): Objections were raised in some cases that acreage payments were being made to men with large acreages and good crops, but in the case of the people of Newfoundland we tried the opposite thing. We tried to place the money where it was most needed, make it available to those who needed it most, who would make the best use of it, and who thereby in many cases would qualify for unemployment insurance.

Even if it were possible to arrive at absolute justice in the administration of any scheme one would still be criticized by those who think they should have got more or who think somebody else should have got less, and that is where the problem arises. As I said, the plan suggested by some of the hon.

members from Newfoundland with regard to advancing grants to fishermen is, on the face of it, a good one, but it would have to be carried through in a blanket fashion to cover all fishermen whether they needed it or not.

Mr. Pickersgill: Just as you did for the farmers.

Mr. MacLean (Queens): To which you objected.

Mr. Pickersgill: Why not treat the fishermen as well as the farmers are treated?

Mr. MacLean (Queens): Because there are so many other benefits which accrue to fishermen that do not accrue to farmers such as unemployment insurance, assistance under the fishing vessel assistance act, salt assistance, and so on. In carrying out a program of assistance of any sort the picture has to be painted with a wide brush. It is difficult to do it any other way because you would have to go back a thousand years and institute a sort of domesday book to arrive at who was entitled to so much, so that in a mathematical way you could make sure each fellow was getting exactly what he deserved in relation to his effort, his needs, his family, his bad luck, and his luck in the runs of fish and so on. It is for reasons of that sort that the acreage payment is administered on a rather arbitrary basis.

I am the first to admit that the amount involved in the case of the Newfoundland fishermen is small. It is $.3 million, $300,000, and the reason it is small is that it represents 35 per cent of the drop in income.

As has been said, if it were distributed evenly to everybody it only works out at 13 cents a day for the head of every family. The reason it works out at that figure for the head of every family is because the drop in income earned by the head of every family in Newfoundland this year, statistically on the average as compared with last year, would be three times that amount—39 cents. I think it is a week rather than a day, but those statistics do not impress me very much. What you are doing is taking the amount, then dividing it by the number of fishermen and dividing it by the number of days between then and now. In effect you are almost taking the cube root of it if you divide any figure by two other factors. Even if you take the cube root of the speed of light you come up with something that is relatively small.

Mr. Pickersgill: I wonder if I could ask the minister a question on this point?

Mr. MacLean (Queens): Yes.

Mr. Pickersgill: Does the minister think that in making these comparisons and computations, which he says he wants to make fairly, in contrast to those on this side of the chamber which he says have been made unfairly, it is fair to include the landing from draggers with the shore fishery?

No one is suggesting that the dragger fishermen should be included in any scheme at all. It seems to me that if the minister would take the shore fishery, which is the only comparable thing, he would get a very different picture. I think the minister knows that.

Mr. MacLean (Queens): Yes, but not such a very different picture, because even in the case of the shore fishery there were large areas in Newfoundland where the catch was up as compared with last year. But I would agree that if you take a small enough unit there are little communities—or if you get down to one boat, one crew—which perhaps caught no fish last year. However, it is difficult to fit them into a program that is supposed to apply to the whole of Newfoundland, unless you try to do it in the very way which has been suggested and which the provincial government agreed to undertake in the first instance.

Apparently this scheme suddenly became very unpopular, with the provincial government after they had agreed to it and had thought it was a fiine idea.

Mr. Pickersgill: On that point, Mr. Chairman, could I ask the minister if he would read the document in which the provincial government agreed to this scheme?

Mr. MacLean (Queens): I am not sure that I have that document available, but we can get it.

Mr. Pickersgill: Perhaps the minister could get it by nine o'clock.

Mr. MacLean (Queens): I think so. Probably the cause of the change in attitude is the fact that when it came to applying this it was very difficult to satisfy everybody. That is human nature. No matter what you do, you will not satisfy everybody. It is an easy thing then, as a solution, to say, "Well, the scheme is no good". I think it is a good scheme as far as it goes. I think the amount is relatively comparable to the need, and if it can be administered in such a way that the benefits will go where they are needed, it will meet the requirements of the fishermen for the time being.

I wish to point out that the prospects for the Newfoundland fishermen are not all dark. Improved methods of fishing are being evolved. We are doing a great deal along this line and we have met with some excellent successes in some cases. Success varies, of course. For example, the federal department in co-operation with the provincial department

—and the two departments work very closely in these things—achieved some very striking results in making the herring fishery in Newfoundland more effective. I should like to quote briefly from a letter I received from a man in the industry, which reads:

> We are now conducting a very successful herring season and have caught over 5,000 barrels of green herring in the past three weeks . . . This has given a lot of badly needed employment in this immediate area, as we have 140 men employed with a weekly payroll of over $6,000. These facts, together with the great advantage coming from the roads to resources program over the past few years, are all part of the over-all constructive program of this government.

He branched off from fishing there, but this is a statement contained in a letter with regard to something we were able to do for the herring industry. I might say that in connection with the inshore fishermen—this applies only to inshore fishermen—in 1960 their income was $12,324,881.

Mr. Pickersgill: What about the physical quantities? That is what the minister gave us in wheat; he did not give us the income.

Mr. MacLean (Queens): I do not happen to have the physical quantities. I understood the hon. member to ask for the income and that is what I obtained.

Mr. Pickersgill: Not I.

Mr. MacLean (Queens): In 1961 the figure was $11,045,656, which represents a change downward of $1,279,225.

Mr. Pickersgill: That is at least 10 per cent.

Mr. MacLean (Queens): That is what I said; it is approximately 10 per cent.

Mr. Pickersgill: I thought the minister said 1 per cent a while ago.

Mr. MacLean (Queens): No. I was speaking in connection with the inshore fishermen. Perhaps I neglected to say that, but I was giving the totals for Newfoundland, which were down 1 per cent and included draggers. I have a copy of a telegram from Leslie R. Curtis, acting premier of Newfoundland. This telegram is dated November 21 and reads:

> Thank you for your telegram—

The telegram is addressed to the Prime Minister:

> —re assistance to fishermen. Newfoundland government will co-operate by contributing 25 per cent of labour cost local public improvement projects as proposed by Premier Smallwood and accepted by you in settlements mutually agreed as requiring assistance. Presume it will be in order now for our nominee to contact your minister of northern affairs and this will be done promptly. Kindest regards.
>
> Leslie R. Curtis

Mr. Chairman, that is all I wish to say at the present time. I am sorry to have imposed upon the committee for so long and taking up so much of the committee's time.

Mr. Tucker: Mr. Chairman, I should like to add my support to that given by hon. members who have spoken in aid of the fishermen of Newfoundland.

It was very noticeable to those who followed the cod fishery early last summer that the catches were very much below those of the previous year and were below an average catch in many settlements in Newfoundland. On August 24, 1961, Mr. P. J. Antle, general secretary and treasurer of the Newfoundland federation of fishermen, wrote the Minister of Fisheries and on October 4, 1961, the Liberal members from Newfoundland wrote the Minister of Fisheries and indicated their general support for the proposals contained in Mr. Antle's letter.

We were unanimous in our opinion that in dealing with the problem which was facing our fishermen, particularly on the east coast of Newfoundland, the government should be guided by the general principle that our fishermen should be treated in the same way as our mainland farmers when they have a crop failure.

We were well aware that those fishermen who had small catches would find it difficult to provide food for their families, let alone make provision for the next year's cod fishery, which always represents quite an outlay for our fishermen. Very often they have not the means to pay cash for the materials required and have to obtain supplies from their dealers or merchants early in the season in order that they may prosecute the cod fishery.

We suggested in our letter to the Minister of Fisheries that materials be supplied to our fishermen to enable them to build or repair boats and to furnish or repair equipment during the winter months, on the understanding that the fishermen themselves would provide the labour. We thought this would be an extremely practical way to assist those fishermen who are really in need to prepare for their voyages next year. We suggested in our letter:

1. That this assistance be made available to all fishermen whose total net earnings fell below a certain income, the amount to vary with the number of dependants.

2. That materials to be supplied include nylon, hemp and cotton twine for knitting of nets and traps; lines and hooks for the making of trawls and bultows; lumber, nails and paint for the building and repairs of

boats and dories for use in our inshore fishery, and other materials suitable for making moorings for boats and gear.

3. That the value of such assistance be limited for each fisherman and that the government take a lien on the boats and gear thus provided to ensure that they are used in the fishery for at least one season, after which they would become the property of the fisherman concerned.

The Minister of Fisheries stated that our suggestions had been given full consideration but the committee felt that although assistance in the manner we had proposed would undoubtedly be helpful the problem of dealing with several thousand individual fishermen on an equitable basis would be much less practical than we had suggested. He also said the committee felt that assistance on a community basis directed to those settlements which had been most seriously affected by the catch failure would be more practical and more equitable. With this statement we could not agree. I personally tried to get full details of the assistance which was provided, but I have yet to get it.

On a non-political tour in Newfoundland the Prime Minister announced the response of his government to the appeal of our distressed fishermen. This government was well aware of the catch failure, because the departments concerned were notified by Newfoundland members and, in addition, an official from the Department of Fisheries went to Newfoundland to make an investigation. He obtained the information required and returned to Ottawa.

There seemed to be some confusion as to the number of fishermen affected. If we were to compare the bad fishing of 1961 with the catch in 1960, which was only a fair year, we could conclude that 12,000 fishermen had a bad year in 1961. Anyway, 9,000 fishermen at least and 12,000 fishermen at the most had poor catches. The sum of $300,000 was provided, as announced by the Prime Minister, to aid them. This amount was to be spent on winter works under the same arrangements as those made with regard to all the Canadian provinces from Newfoundland to British Columbia. It meant that if any of our local authorities, municipalities, community councils, local roads boards or any other local organizations carried out public works, half the money spent on labour would be provided by the federal government. In addition, the federal government would match the money provided by the provincial government to the various settlements in respect of road work and so on, since October 15, 1961—a sum which amounted to $80,000. This arrangement meant that the distressed fishermen from Newfoundland received approximately $20 per family by way of assistance from this government as compared with $1 an acre up to 200 acres or a maximum of $200 in the case of the western farmer.

The minister has referred to just terms. In my opinion Canadians are Canadians irrespective of where they live and they should be treated alike. I am not against assistance being given to our farmers but I contend that the same yardstick which is used for our farmers should be used for our fishermen. The money given to our province was not given to or worked for by fishermen only; it was given to all those who participated in the winter works program. This worked out to about $20 per family—less than three cents a day. While we were glad to get the $300,000 we feel it should have been distributed among our distressed fishermen and that the amount available should have been much greater.

The Chairman: Shall this item carry?

Mr. Pickersgill: No, Mr. Chairman. I intend when we resume at nine o'clock to say something about the origins of this policy. I asked the minister to do so but he thought it would take too long. It is going to be done, anyway. I just want to take the minute which is at my disposal now to deal with one point. The minister made a great deal about comparing horses and rabbits. It is obvious that this government regards western farmers as horses and the fishermen as rabbits, though I am surprised the minister should have admitted it.

An hon. Member: Headline stuff.

Mr. Pickersgill: It was not my phrase. It was the phrase of the Minister of Fisheries.

Mr. MacLean (Queens): On a point of privilege, I think the hon. member would wish to be fair—

Some hon. Members: No.

Mr. MacLean (Queens): He should admit, I think, that what he has imputed to me was never intended by me. I said that hon. members were not making a fair comparison when they compared things which were not comparable.

Mr. Pickersgill: Well, there is no dispute between us, and I do not think—

Mr. MacLean (Queens): I also said—

Mr. Pickersgill: I have sat silent all the afternoon. The minister is trying to take the one minute I have on a phony question of privilege. He will find I did not impute anything to him at all.

Mr. MacLean (Queens): Mr. Chairman, the hon. member has said—

The Chairman: It is now six o'clock. I therefore regret to interrupt the hon. gentleman but pursuant to the special order made today the proceedings of this committee will be interrupted in order to permit the house to proceed to the consideration of private members' business at eight o'clock.

Item stands.

Progress reported.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Speaker: Pursuant to the special order made this day the house will now proceed to the consideration of private members' business as listed on today's order paper, namely private bills and public bills. There being no business under private bills, the house will consider public bills.

COASTAL FISHERIES PROTECTION ACT

PROVISION FOR EXTENSION OF FISHING ZONE

Mr. Frank Howard (Skeena) moved the second reading of Bill No. C-3, to amend the Coastal Fisheries Protection Act (12 mile fishing zone).

He said: This particular bill, Mr. Speaker, has two or three general purposes beyond the main one of extending our territorial waters. From what I can gather of at least announced government attitudes, I think these purposes are not inconsistent with the ideas the government has expressed in the past year or so. One of them is to protect our fisheries to the largest possible degree by ensuring (1) that the exploitation and use of our fisheries within the 12 mile area is engaged in by Canadian fishermen and (2) that our conservation practices within that area are not upset by fishermen of other countries coming in and fishing without due regard to the need for conservation as we appreciate it.

A certain aura of government secrecy is involved in this particular question. Since the last Geneva conference on the law of the sea where our efforts were not successful—and just by a small margin, I may say incidentally—no public announcements with any substance to them that I know of have been made by government members with regard to just what has or has not been done by the government itself. In the middle of July last year the Secretary of State for External Affairs (Mr. Green) was asked in the house what action was contemplated by the government with respect to the extension of our territorial waters. The answer he gave at that time hinted—and not too clearly at that—that some talks were perhaps taking place but that the nature of those talks or the wishes and desires of the government were of a confidential nature; hence the house could not be taken into that degree of confidence which is necessary for full understanding of these matters.

Just yesterday a similar question was asked about government activities in this regard and the answer we were given yesterday by the Secretary of State for External Affairs was that it was not beneficial to give an answer. If the government itself would take parliament into its confidence and share some of its ideas with us, perhaps we might not have need to present this particular bill. However, expressing an expectation of the government's taking the house into its confidence in this matter or in most other matters is perhaps asking a little bit too much. None the less, if the government itself would not take this approach of saying in effect, "It is none of your business what we are doing in this field", perhaps we would have slightly better relationships and, as I said, perhaps there would not be any need to introduce a bill of this sort.

However, I suspect that what these announcements made by the Secretary of State for External Affairs in fact mean is that the government is doing nothing about this particular item. It is certainly doing nothing with regard to promotional activities within the United Nations where the initial conference and subsequent conferences were ordered and arranged for. No push or effort or anything of that nature is being promoted within the U.N. toward this particular end. When the Secretary of State for External Affairs says that it is not beneficial to answer questions relating to this matter, I submit he is saying that it is not beneficial to the government because it would be embarrassing for the government to be obliged to admit that it has shelved this most important problem after it did not receive the degree of support we all hoped it would receive at the last conference at Geneva on this matter.

Canada now has a three mile limit. The bill, which is an uncomplicated one to that extent, indicates that for fisheries purposes, we want this limit extended, to 12 miles. The bill also contains another important matter of interest (1) to our fishermen and our fisheries and (2) to our relationships with other countries. Some will say that this bill in fact is asking for a unilateral decision on the part of this parliament and therefore is not concerning itself with the necessity for discussions and negotiations with other countries, because other countries are fishing up to our three mile limit. But this is not the

case because there is a very important additional principle contained in the bill to the effect that it will come into force on the first day of July, 1964. The period of two and a half years between now and July 1, 1964, would allow for negotiations to take place with other countries directly, bilaterally, through the United Nations or in some other way, and I intend to mention two or three other methods of entering into some sort of negotiations to solve this problem.

I am a great believer in the approach of negotiation. I do not believe we should take abrupt, unilateral action of a type that will dislocate our relationships with other countries and will tend to dislocate the fishing economies of other countries because I believe we can solve the question much more easily through negotiation. But believing in negotiation I also believe that when you are negotiating you need a good lever on your side in order to ensure that your point of view has the greatest possible impact on the person with whom you are negotiating. The use of a lever in this way often takes place in parliament when the house leaders are negotiating with regard to the business of the house. The matter of whether or not agreement will be reached often depends on whose advantage is served.

The bill contains provisions which permit future action by another parliament depending on the course that negotiations take. If, for argument's sake, international negotiations were under way approaching the first day of July, 1964, when this act would come into force, and it was felt that the negotiations were close to being concluded, a future parliament could easily amend the act to provide for an extension of the date when the bill would come into force so as to permit the negotiations then under way to reach fruition.

The act which the bill seeks to amend, the Coastal Fisheries Protection Act, contains provision in sections 3 and 4 which, even if this amendment is adopted, provide an opportunity for other countries so to adjust their fisheries operations that there will be a minimum amount of dislocation by reason of the coming into force of this amendment. I am sure that the bill before us is based upon government attitudes and ideas as they were last publicly expressed. I have in my hand a green covered booklet. Perhaps its colour is appropriate because it comes from the office of the Secretary of State for External Affairs (Mr. Green). The booklet contains the proposal which Canada made at the first Geneva conference on the law of the sea in 1958 and at the subsequent conference in March, 1960, so far as fishing rights are concerned. I am going to read from this booklet but the words are also reproduced in the explanatory note in the bill. This was Canada's proposal:

> A state has a fishing zone contiguous to its territorial sea extending to a limit 12 nautical miles from the baseline from which the breadth of its territorial sea is measured in which it has the same rights in respect of fishing and the exploitation of the living resources of the sea as it has in its territorial sea.

We took these words at their face value and drafted one of the most important proposed amendments, namely, the definition of what are Canadian territorial waters. We have put these ideas of Canada into legislative form. We regret that the last Geneva conference which dealt with this matter failed by one vote or one third of a vote, as I think the Secretary of State for External Affairs put it, to come to a conclusion with respect to this matter. However, some interesting changes of position were noted at that second conference and I think they afford some area for negotiation by Canada to find a solution for this problem. For instance, we could seek to open negotiations with each or all of the 54 countries who supported our proposal at the second Geneva conference on the law of the sea. At this stage I am not going into the differentiation with regard to the six and six formula that Canada developed. I am confining myself to that part of the formula involving a 12 mile area with regard to fisheries and not the six mile area relating to the territory itself.

We could open negotiations with these 54 countries. We could open negotiations with all the other commonwealth countries who, with the exception of India, supported our proposal at Geneva in 1960. We could negotiate with them to see whether or not an area of agreement might be reached. We could open discussions on the matter with the NATO nations, all of whom except Iceland, and for obvious reasons, I think, agreed with the proposal put forward by Canada in 1960.

With this bill on our statute books I think it would strengthen our hand in any such negotiations. It is most necessary and vital to protect the welfare of our fishing industry and our fishermen. It is most necessary to extend the area of our sovereignty over our own affairs. A former secretary of state for external affairs, the late Sidney Smith, commented on this matter a few years ago and I think it would be appropriate if I were to refer now to what he said. Perhaps at this time we might concern ourselves with putting into effect some of the things which the late Mr. Smith had in mind. As found on page 4353 of *Hansard* for August 30, 1958, he said:

> . . . Canada does not favour the taking of unilateral action by states in respect of fishing zones so long as there is hope that a new international conference

on the law of the sea will be convened in the near future to deal with the question of territorial sea and fishing rights.

With this statement we agree generally. We say that there is no longer hope now, using the words of Mr. Smith, of another international conference on the law of the sea being held in the near future because, first, Canada is not promoting it at the United Nations and, second, so far as I know no other country is promoting it either. In my opinion we should not sacrifice the interests of our fishermen any longer. We should not allow the attitude of the United States in this regard to influence us to the extent that we do nothing about this most important question. This is an all-important matter, and I hope that the house will be kind enough to take one of those rare steps and give second reading to this bill today in order that a humble backbencher may assist the Prime Minister (Mr. Diefenbaker) and the government in bringing some relief to citizens of this country.

Mr. L. R. Crouse (Queens-Lunenburg): Mr. Speaker, as the member for Queens-Lunenburg, where many inshore fishermen as well as many deep sea fishermen derive their living from the sea, I am pleased to speak to this bill to amend the Coastal Fisheries Protection Act. It is interesting to note the attention given this international problem by the hon. member for Skeena (Mr. Howard).

The explanatory note of the bill states:

This bill's intent is that it be a declaration by the Queen in parliament that Canada within those 12 marine miles seaward of her coasts has, to the sole use and benefit of her nationals, the right to fish exclusive of all others: as well an affirmation of Canada's obligation to protect and conserve the live resources of those seas to that same end.

Notwithstanding the remarks of the hon. member for Skeena (Mr. Howard), this bill implies that unilateral action should be taken by the Canadian government in connection with this matter. This course has never been satisfactory when dealing with problems affecting other nations as well as our own. He states that this difficulty would be solved by referring action until July 1, 1964. This, in effect, sets a deadline when all negotiations must cease. I submit to you, sir, this is not a proper course to take.

This problem which the hon. member raises is not a new one. In fact, it goes back to the very beginning of this century. In the 1928 report of the royal commission on fisheries in the maritime provinces we find this at page 90:

The protests of the shore fishermen against steam-trawlers are not new, nor are they wholly the result of conditions prevailing in recent months. They have been persistently and repeatedly made during practically all the years in which steam-trawlers have operated from Nova Scotia ports. A brief outline of the history of these protests may be of interest, as giving a better understanding of the question at issue.

In 1905, when the Halifax board of trade asked for assistance from the federal government to bring out trawlers from Scotland to operate in Nova Scotia, assistance was promptly refused, as indicated by the following letter written on June 5, 1905, by the minister of marine and fisheries at that time, to the chairman of the fisheries committee of the Halifax board of trade:

"Referring the matter of the introduction of steam-trawlers in Atlantic waters of Canada, I have an official report before me, and I do not see that any encouragement could be held out to steam-trawl firms to operate in our waters. You are no doubt aware that to that destructive method of fishing has been attributed the destruction of valuable fisheries off the shores of Great Britain, and prohibitory laws have been enforced in inshore areas. Outside the three mile limit trawling cannot be prevented, but I am not disposed to favour it in territorial waters or grant assistance to firms adopting that method of fishing."

Vigorous protests were made when foreign steam-trawlers began to fish too near to the Atlantic coast line and to interfere with the operations of the shore fishermen; and on September 9, 1908, an order in council was passed providing that "the use or operation of vessels known as steam-trawlers operating beam, otter or other trawls for the purpose of catching fish is prohibited within the three mile limit and in the bays and harbours of Canada." This was obviously an admission that steam-trawling was injuring the shore fisheries, and that it required regulation and restriction. In 1909, during the imperial defence conference, the Canadian minister of marine and fisheries, and the prime minister of Newfoundland urged upon the British government the desirability of making an international arrangement with France and the United States for the regulating of all fisheries on the banks. But no arrangement was made. Protests against steam-trawling, however, continued to be expressed in the maritime provinces, and as a result, the following resolution was passed unanimously by the House of Commons on February 6, 1911:

"That in the opinion of this house, as the mode of fishing known as steam-trawling prosecuted by ships of different nationalities on the coast of Canada outside of Canadian waters is destructive to fish life, it is expedient in order to conserve the deep sea fisheries, that negotiations be opened with the view of securing an international agreement prohibiting this mode of fishing in such spawning grounds for deep sea fish as the waters of the Gulf of St. Lawrence and the banks of the north Atlantic adjacent to the coast of Canada and Newfoundland.

Now, there is considerably more here, Mr. Speaker, but there is one paragraph that I think is most important. I quote again:

On March 18, 1912, the minister of marine and fisheries said in the House of Commons, "If it is possible to do so, effective steps will be taken to prevent steam-trawling being carried on." During the early summer of 1912, a conference was held in Washington, attended by representatives of the United States, by the Canadian minister of marine and fisheries, and by the prime minister of Newfoundland, with a view to investigating the whole question of steam-trawlers and of making observations on the results of their operations. After considerable negotiation, it was arranged that during the season of 1912 investigations would be carried on by each country independently, the understanding being that on the completion of the

work, the British government would be asked to call a conference of representatives of countries interested in steam-trawling with a view to reaching an arrangement for the entire prohibition of steam-trawling on this side of the Atlantic. The investigations took longer to complete than was at first anticipated. Meanwhile the war had come. It was then decided to postpone the request for the projected international conference until after the end of the war; but the proposed conference was not held. In order meanwhile to protect further the shore fishermen, the Canadian government in 1915 enacted a regulation under the Customs Act, whereby, the master of any steam-trawler is required before he is granted a clearance for the fishing grounds to give the customs officer a declaration that he will not fish within at least 12 miles from shore, this regulation to apply to all steam-trawlers clearing from a Canadian port on the Atlantic coast. Since that time no further restrictions have been placed on steam-trawlers operating from ports of the maritime provinces.

From this, Mr. Speaker, it can be ascertained that considerable objection was raised against fishing draggers in any area by the inshore as well as the hook and line fishermen on the schooners of that day. This resulted in the prohibition of large Canadian trawlers fishing within 12 miles of shore. Foreign trawlers, of course, are only required to observe the three mile limit. The problem is still of vital interest to our deep sea fishermen as well as to our inshore fishermen. Some time ago, I received a letter from one of our deep sea captains. I should like to place this on the record also for it explains the situation in so far as his operations are concerned:

As master of a Canadian vessel I am very much concerned for myself and my crew over the situation existing at the present time enabling foreign draggers and fishing vessels to fish within the 12 mile limit off the Nova Scotia coast while we must remain with our draggers outside the 12 mile limit.

The foreign draggers and fishing vessels at certain times of the year are getting the best catches of fish while we are unable to find any satisfactory grounds on which to fish. It is understandable to me that in the interests of international negotiation this situation might be allowed to exist for a very short time but it now already has existed for a long time and in my opinion, and I believe the opinion of most of our fishermen and vessel owners and operators in this area, the time has come when definite action must be taken by our government—

At the present time we are unable to find fish outside the 12 mile limit sufficient to make wages for the crew and the foreign draggers are doing well within the 12 mile limit. On our latest fishing trip we sighted at least 35 foreign ships operating within the 12 mile limit, getting large hauls of codfish and flounders, while our Canadian ships had to stay outside and fish for very small hauls of mostly scrod cod. I would like to point out also that the flounders and grey soles and halibut taken by the foreign ships were thrown back as they are not suitable for salting and it appears to us that the present situation is even more ridiculous as we are saving large quantities of fish for the foreigners who are not interested in all the species and destroying the species they do not want.

The area I mention is on the northwest side of Cape St. Lawrence where there is no shore fishery.

[Mr. Crouse.]

The present law might be understandable if there was a shore fishery to protect and I would suggest that if the law is changed any area with a shore fishery should be protected.

Now, conversely—

Mr. Howard: I should like to know the date of the letter.

Mr. Crouse: I said that letter was received some time ago. It is dated May 12, 1959, but the situation is similar today. Conversely, the inshore fisherman with his long-liner has found fish scarce and of necessity, in an effort to secure profitable catches, must go to the off shore banks where he is overly exposed in times of storm. For example, on March 20 last year, some 17 men were lost in one storm when three long-liners failed to return to the port of Lockeport.

However, this problem is somewhat involved. We are concerned here with fishery conservation, which is a matter perturbing many people. We must look at this from many angles. Total fish landings in the maritime provinces during 1961 amounted to 637 million pounds, with a total landed value to our fisherman of $39 million. While fish landings in 1960 were higher, the dollar value was somewhat lower, but during the past three years the average has been approximately $39 million per annum. That is the amount the fishermen have received for their catch.

When we realize that some 18 million Canadians consume on the average only 13 pounds of fish per person per annum we get some idea of the importance of the United States market to our fishing industry. Approximately three quarters of our entire catch is sold in the United States market, and any unilateral action taken by this government to restrict American trawlers from fishing other than 12 miles from shore, would no doubt meet with strong opposition from the United States.

There is another question that poses itself, the question of enforcing unilateral action on a 12 mile limit, and I submit this is of paramount importance. We remember when Iceland in September, 1958, unilaterally declared a 12 mile fishing limit and British trawlers had to be protected by gunboats while they fished off its coast. We also remember that Iceland maintained a fleet of fully armed ships in an effort to enforce its mandatory regulations. Would this be the policy of the C.C.F. and the New Democratic party if they were in office?

Mr. Howard: It would be our policy to protect our own fishermen.

Mr. Crouse: Certainly it is not the policy of the present administration. However, you may say that Iceland won its dispute with

the United Kingdom, but the Icelandic dispute was not simply between a big power and a little power. It was over a principle that concerns all countries, the principle that the right of states in international law depends upon the consent of other states. Iceland won out over the United Kingdom because the United Kingdom recognized that 99 per cent of the Icelandic economy is tied up in the fishing industry. During that crisis the United Kingdom was placed in a most unenviable position because the western world was concerned lest her action drive Iceland into the communist camp.

At the start of the law of the sea conference in 1958, more countries still upheld the three mile limit than any other single alternative. However, times have changed and at the last law of the sea conference the Canadian proposal that a state has the right to fix the breadth of its territorial sea, up to a limit of six nautical miles, with a fishing zone of an additional six miles, almost met with universal acceptance. I believe the hon. member for Skeena mentioned that it was defeated only by the narrow margin of one vote in failing to get the necessary two thirds majority.

This second law of the sea conference did not reach agreement on the breadth of territorial seas, or on fishing limits, although I still believe the Canadian proposal of six plus six is the best compromise between modern security needs, fishing interests and the fundamental freedom of navigation which all countries have an interest in preserving. Canada is again willing to try at Geneva, or anywhere else. I am quite convinced of that. In our proposals at the last conference on the law of the sea we presented our views in good faith and showed a willingness to co-operate.

Nova Scotians and those associated with the fishing industry generally believe that the search for local compromises is the best way to settle hard cases rather than imposing a flat 12 mile rule.

As I stated earlier, part of the problem is due to a desire to conserve the fisheries and give priority to the coastal fishermen who have a natural wish to increase their catches and raise their standard of living. However, I believe the real answer lies in scientific conservation. With our present knowledge of fish habits and movements we have improved our understanding and ability to tackle the problem, and I think that scientific regulations offer a more effective and skilful system of control than proposals for broad fishing limits that may not, in effect, include the areas most in need of conservation.

This trend of thought receives strong support in international quarters and I believe at present more countries are in favour of scientific regulation than ever before. There is a sound reason for this type of thinking. In Canada and the United States alone there is a population of over 200 million people, and as the population of the world increases we must constantly turn to the sea for more of our food supplies. We realize that this is the one untapped source available to us. No nation will intentionally destroy this source of protein; all nations will endeavour to preserve the fishing banks in an effort to secure gradually an increasing share of the available catch.

This bill attempts to change the definition of Canadian territorial waters, which limits foreign vessels to a three mile fishing zone. It proposes to change this to a 12 mile zone. Section 4, paragraph (d) of the Coastal Fisheries Protection Act provides that the Governor in Council may make regulations, among other things, designating the territorial waters of Canada for the purpose of the act. In view of this fact it is not necessary to amend it in order to have a 12 mile limit established, as the power is granted to the governor in council to do this at any time.

Present Canadian policy indicates we believe in a clear distinction being made between territorial limits and fishing limits. However, we believe that any change in the fishing limits should be made by universal agreement and must take account of the essential principles of international conduct. The chief of these is the need for international consent prior to any changes being made, because a nation's individual rights are only sustained by general acceptance.

This problem, Mr. Speaker, is still under consideration, but unilateral action as suggested by the bill would only create tensions between Canada and some of its best customers for its fishery products. This would be unacceptable to the Canadian people and I believe undesirable generally to the Canadian fishing industry.

Hon. J. W. Pickersgill (Bonavista-Twillingate): At the beginning of my remarks, Mr. Speaker, I should like to congratulate the hon. member for Skeena (Mr. Howard) both on the bill and on the very moderate and reasonable presentation he made of it. In saying that I am speaking for my party and I assert that we support the bill without reservation. We support it in large measure for the reasons given by the hon. member, and I shall elaborate on that point in a moment.

I should first like to deal with some of the arguments made in opposition to this bill by the hon. member for Queens-Lunenburg (Mr.

Crouse) who also spoke with great moderation but who did not seem to realize that 1912 was 50 years ago and that the situation has changed a good deal since.

Mr. Crouse: We are selling more fish now to the United States.

Mr. Pickersgill: We are selling more fish to the United States, and of course the United States is a far less important fishing power now than it was 50 years ago, and the mutual arrangements between the two countries are on a much wider scale than they were 50 years ago.

The hon. gentleman deplored the possibility of unilateral action. I do not think anyone wants to have unilateral action. It was the government which preceded the present one which initiated negotiations which were carried on and which almost succeeded, as everyone has pointed out, at Geneva in getting what we wanted by multilateral action. But the fact is that they did not succeed and that so far as we can discover nothing effective has been done since to resume these negotiations.

Yesterday the Secretary of State for External Affairs (Mr. Green) in reply to a question from my hon. friend from Trinity-Conception (Mr. Tucker) who asked whether any negotiations were going on in this matter, said that any such announcement would be made in the house in due course. When the minister was asked by me whether active negotiations were going on at the present time he said:

> I think it would not be beneficial to answer that question at this time, Mr. Speaker.

When I was so presumptuous in this free parliament as to ask, "Beneficial to whom?", the minister said, "To Canada. To whom does the hon. member suppose?" The hon. member felt that the minister does not often have a chance to score off anybody any more and the matter could be left there. But the reason for the question was that when this government is not willing to talk about something, I think that is the most conclusive evidence that it is not doing anything, because it spends most of the time talking about things that it is not doing. I think we can fairly assume that the correct answer to, "Beneficial to whom?" was, "To the government", because I cannot believe that, if this government is really seriously carrying on any negotiations, this can be such a deep, dark secret, that those negotiations would be seriously jeopardized if this house were told they were going on.

I would not do what the Minister of Finance (Mr. Fleming) did. I would not try to force the government to do what he did—force Mr. Heath to show the British hand in the common market negotiations, thereby weakening their power to negotiate. I think that just to tell us whether or not the negotiations are going on would do the public interest no conceivable harm and I think we are justified in assuming, until we are told otherwise, that they are not and the government does not want to admit it.

The hon. member for Queens-Lunenburg said this problem was not new. It is not new, that is quite sure. I suppose it is one of the oldest problems. It is as old as Canada and it existed before confederation. It is not a new problem at all but it is a problem that is getting very much worse. I do not need to tell the hon. member for Queens-Lunenburg, but some hon. members may not be aware of the fact that whereas there were only three or four nations with fishing fleets off the Canadian coast even five or six years ago, ships are coming from all over the world and fishing right off our shores today, and more vested interests—if you like to call them that—more presumptions are being created every year very much to the detriment of the Canadian fishery and Canadian fishermen.

The hon. member also expressed grave concern about the displeasure of the United States. This was very touching coming from a supporter of the Prime Minister (Mr. Diefenbaker) and a supporter—I suppose it is still possible to support both the Prime Minister and the Minister of Finance, notwithstanding what has been said by a "servile" press. Assuming that the hon. gentleman supports both of them, and maybe even the Minister of Justice (Mr. Fulton)—who has just come in—for good measure, these were the men who over here on this side of the house were going to speak in no uncertain terms to the United States five or six years ago and put the Americans in their place. Now the hon. member for Queens-Lunenburg cringes for fear—

Mr. Pallett: He never cringed in his life.

Mr. Pickersgill: —the United States might be displeased if we took control of our own country. It is a very different line from the line taken by his leader at Yarmouth on March 25, 1958.

Mr. Fulton: Is that another of Lamontagne's books that you have there?

Mr. Pickersgill: No, no.

Mr. Fulton: I am glad to hear it.

Mr. Pickersgill: This is the gospel according to John written by one of those who followed him in the press.

An hon. Member: Where are you reading from?

Mr. Fulton: What is the book? What is the title of the book?

Mr. Pickersgill: I will tell the hon. gentleman what the book is. This is a Canadian Press report—

Mr. Fulton: What is the book?

Mr. Pickersgill: The hon. gentleman would like to know—

Mr. Fulton: It has a nice red cover.

Mr. Pickersgill: "Diefenbaker's Statements and Promises, 1958".

Mr. Fulton: Published by whom?

Mr. Pickersgill: Promises, I assume, by Diefenbaker.

Mr. Fulton: Published by whom?

An hon. Member: Who is the publisher?

Mr. Speaker: Order. I think the book has been sufficiently identified.

Mr. Fulton: Not at all, Mr. Speaker. Will the hon. member have the candour to tell us who published the book?

Mr. Pickersgill: I now wish to read from the Canadian Press—

An hon. Member: Who published the book?

Mr. Pickersgill: At the present moment I am publishing what is here.

Some hon. Members: Oh, oh.

Mr. Pickersgill: I am publishing it in this house, but I am taking it from the Montreal *Gazette*.

Some hon. Members: Oh, oh.

Mr. Speaker: Order. There is far too much interruption. The hon. member has a limited time and he is entitled to be heard.

Mr. Fulton: Obviously it is not the gospel—

Mr. Pickersgill: Mr. Speaker, the last thing they want to hear is what their leader said in 1958, and I do not blame them.

Mr. Fulton: On a point of order, Mr. Speaker, this is obviously not the gospel according to St. John, but the gospel according to St. Pickersgill.

Some hon. Members: Hear, hear.

Mr. Pickersgill: Mr. Speaker, I can only retort, in the words of my very young daughter, "Very funny".

An hon. Member: You are.

Mr. Pickersgill: This is a Canadian Press dispatch which appeared in the Montreal *Gazette* reporting a statement made by the Prime Minister at Yarmouth on March 25, 1958. The first paragraph reads:

Prime Minister Diefenbaker today promised federal price supports under fish—

Where are they?

—and a firm stand on protection of Canadian inshore fisheries against foreign trawlers.

Where is that? Whether those two promises are among the 12 or among the forgotten, I do not know; but that was the brave attitude in March of 1958, and we now have a pusillanimous attitude expressed on behalf of the government by the hon. member for Queens-Lunenburg four years later.

Mr. Crouse: Would the hon. gentleman permit a question?

Mr. Pickersgill: Certainly.

Mr. Crouse: Is the hon. gentleman not aware that the price of haddock today is as high as it has ever been in Canada's history?

Mr. Pickersgill: Mr. Speaker, I do not know what this has to do with whether we should have a 12 mile fishing zone or a 3 mile fishing zone. In any event, I listened politely and without interrupting the hon. gentleman's statement. I have a statement to make in a very limited time and I hope he will do me the same courtesy.

Mr. Fulton: Catch fish or cut bait.

Mr. Pickersgill: I am not going to leave any doubt about the authority for what I say. I said I was speaking for my party. The position taken by our party was stated in the debate in May last year. It is in *Hansard* of May 2, 1961, at pages 4226 and 4227, where my hon. friend, the Leader of the Opposition (Mr. Pearson)—who is unavoidably absent this evening—had this to say with respect to the failure of the conference on the law of the sea.

Mr. Fulton: Where is your red ribbon?

Mr. Pickersgill: He said:

In any event, the proposal was lost and there seems to be no immediate prospect—

And there evidently is none yet, as far as I know

—of a third conference on the law of the sea to deal with this matter; so this first and best way of dealing with it—

That is, by multilateral agreement

—has, for the time being at least, had to be discarded. But we do not need to let the matter drop because of that. There are 54 countries which voted for this 12 mile proposal with a 10-year period for the observance of historic rights. So another way of establishing this zone in Canadian law is to get those countries which accept this 12 mile zone to agree among themselves that as far as they are concerned it is international law and that it will be observed and enforced by them.

That is the second best way, and the bill introduced by the hon. member for Skeena

(Mr. Howard) would provide ample opportunity to get that kind of agreement, and, as he has pointed out, some incentive to get it. After all, those words I have quoted were not uttered originally by me. They were uttered by a gentleman whose experience in international negotiation is unparalleled in this country.

Mr. Fulton: Did he ever get a 12 mile limit for us?

Mr. Pickersgill: He began to do it and if he had still been there perhaps he would have got that one extra vote we needed.

Mr. Fulton: He never got close to it.

Mr. Pickersgill: If that kind of agreement were not possible, my hon. friend the Leader of the Opposition indicated:

> The third alternative is for our own government to take unilateral action as other governments have done and decree that there would be a 12 mile fisheries jurisdiction zone laid down in our domestic legislation and that we will exercise jurisdiction in that zone.

That is just what this bill proposes, and that, I may say, is the policy of our party. That is the reason why I have no hesitation in giving support to this bill. I am not very impressed by the dangers which it is suggested might arise from an attempt to enforce this. After all, if Iceland and Norway have been able to do this by unilateral action it is hard to persuade me that the Canadian people, if they had a resolute government which could make up its mind about anything, would have any difficulty in doing the same.

There is plenty of time left to have a vote on this bill and I hope we can have a vote before nine o'clock.

Mr. J. R. Keays (Iles-de-la-Madeleine): Once again we have witnessed the spectacle of the great wildcat from Bonavista-Twillingate getting down to petty politics and trying to tell us that this problem could have been solved without difficulty by the Liberal party if his friends had remained in power.

An hon. Member: There he goes.

Mr. Keays: He is going to the Liberal dinner.

He seems to be a man who has done everything in the past. He and his friends look at every effort ever made by this government, every law that has ever been enacted, and they say: we did that in the past; we prepared legislation of that kind, or, in this case: we prepared submissions to Geneva. I can imagine attending the conference on the law of the sea at Geneva. The hon. member for Bonavista-Twillingate walks into the hall brandishing a Canadian ultimatum, and I can see all the representatives of all other countries bowing and saying: yes, we accede to the request of the representative from Canada. I find it hard to understand how either the hon. member for Skeena (Mr. Howard) or the hon. member for Bonavista-Twillingate can tell us that they do not foresee clearly that the result of this bill must be unilateral action. They wish to change paragraph (b) of section 2 of the Coastal Fisheries Protection Act so as to read:

> 'Canadian territorial waters' means a fishing zone extending seaward to a limit 12 nautical miles from the baseline from which the breadth of the territorial seas of Canada are measured, and includes inland waters of Canada.

In the explanatory notes it is stated that to allow time for international negotiation which might result in agreement on national fishing limits, the bill is deferred in effect until July 1, 1964. Despite this provision, however, I believe that this measure definitely represents unilateral action and in all circumstances I do not believe anyone would wish that Canada should go to that extent. I agree that it is necessary to protect our fishing zones by the conservation and preservation of the species of fish. There is a special threat on the east coast where we see many ships from foreign countries, including factory ships, taking fish three miles from the Canadian coast. However, is it not best that we should settle this question by negotiation—negotiation, for example, with our neighbour to the south—although the hon. member for Bonavista-Twillingate seems to be a great enemy of our neighbour to the south?

Mr. Pickersgill: Oh.

Mr. Keays: Some formula has to be found. Norway and Britain found a formula at their meeting in Oslo in 1960; since that period a four mile fishing limit was progressively extended into a 12 mile fishing zone. This is one example of negotiations between two countries successfully reaching a conclusion on this matter. I think the Canadian people would not wish to say that there must be both a 12 mile fishing limit and a 12 mile territorial zone. It might be better to suggest that we should have a three mile territorial zone and a 12 mile fishing zone. If we were to say this, it is possible that negotiations with many of the other countries would be successful and we would attain our objective, not by means of an ultimatum such as the hon. member for Bonavista-Twillingate suggests but through friendly relations. I regret that I cannot endorse this bill as it is presented to us, though if it were amended we could possibly come to some understanding and to better terms.

Mr. Speaker: The hour for the consideration for private members' business having expired, the house will resume the business which was interrupted at eight o'clock.

SUPPLY

The house again in committee of supply, Mr. Martineau in the chair.

DEPARTMENT OF FISHERIES

Special—

612. Contribution towards a special Newfoundland works program for fishing settlements that experienced income reduction resulting from decreased catches, $300,000.

Mr. Pickersgill: When the committee rose at six o'clock I had just begun to say something about the observation that had been made by the Minister of Fisheries and, particularly his appeal that we should make fair comparisons. I suggested that the kind of comparisons the minister himself was making were not fair comparisons. What I really rose to say first of all was that the minister threw up his hands at the possibility of doing anything for the fishermen comparable to what was done under the acreage payment scheme which we had previously voted for the wheat growers and grain growers of the west. The minister suggested that the problem of the fishermen was far too complicated for a similar solution, and that the difficulties were far too great. I cannot imagine that the minister really meant that. It would be much easier indeed to apply to the fishermen of Newfoundland—and I refer to the inshore fishermen of Newfoundland—a system such as that which we just adopted for the farmers of western Canada than to apply it to the farmers of western Canada. We already have in existence all the required administrative machinery to make that procedure possible and I am going to tell the minister just exactly how it could be done, just as I told the Prime Minister in 1958 how it could be done.

The machinery is there. It is there in the unemployment insurance commission. All the fishermen who would be concerned are insured under the unemployment insurance commission. Their files are there. The number of stamps they have is known to the commission. From its own records already available to it the government would have no difficulty whatsoever in identifying them and segregating those who were bona fide fishermen. They could have made such payments in two simple ways. They could have said, "We are going to give $200 for income maintenance to the western farmers who have had a crop failure, though in fact, crop failure, as the Acting Minister of Agriculture has told us, was taken care of under the Prairie Farm Assistance Act which has no parallel whatever with the fishermen. This income maintenance was provided to the prairie farmers on two occasions when there was not a crop failure. I refer to the year 1958 and the year 1960. One way to have paid the fishermen was to do what was done with the prairie farmers, namely to say that, regardless of what their crop was, everyone of them would get the payment and the payment could have been a flat $200. I am not saying that I would have advocated that method. The minister said it could not be done. I say that it could have been done very easily. There would not have been the slightest difficulty in doing it. It could have been done in a very few weeks without encountering any problem whatsoever in an administrative sense. The minister has fisheries officers who know very well who the fishermen are.

It could be done in another way. It could be done on a graduated basis depending on how many stamps the fishermen had, so that those who had a good catch and had a sufficient number of stamps and therefore did not need any special help would not get it and it would go only to those who, because of their poor catch, were qualified to get it. That would be to apply a limited kind of test of need, something which was not done in the case of the western farmers. However, that is something that could have been done. These are two ways in which payments could have been made and by means of which the fishermen could have been treated in exactly the same way as the farmers were treated.

Why was this not done? I do not know. It would not have cost much money, whichever method had been followed. If anybody thinks that income maintenance is not just as necessary for the fishermen as it is for the farmers, I should just like him to compare their income levels and say that to any fisherman on the east coast.

Mr. Keays: May I ask the hon. gentleman a question?

Mr. Pickersgill: Certainly.

Mr. Keays: I, too, believe in the sincerity of the fishermen but if he proposes to this committee that any fisherman who has not earned sufficient stamps should qualify for unemployment insurance benefits during the winter months, how can be prove that this fisherman tried to fish? Could he not just sit at home?

Mr. Pickersgill: I can answer that question. You could eliminate any fisherman who did not have a reasonable number of stamps the previous year. That would be a fairly good test, if you are so anxious to screw the fishermen down. Nobody heard the hon. member

get to his feet and suggest tests like that for the western farmers. Why is there this desperate concern about a few dollars going to the fishermen after we have voted $42 million to the western farmers? That is exactly the question we are asking. We willingly voted this money to the western farmers because we thought they needed it. However, we think the fishermen need it also. It is rather hard to go down and tell the fishermen that the only way in which they can get it is to get jobs and sweat it out on work on the roads in the winter time at $20 when the western farmer gets a cheque for $200 from Alvin's cheque machine. That is what this government is asking the fishermen to accept. That is a perfectly fair and valid comparison. Whether or not it is fair or valid, it is a comparison which the fishermen in every settlement in Newfoundland make. If anyone doubts it, let him go down and ask them. I know the situation. I have heard them make the comparison.

An hon. Member: You want a police state.

Mr. Pickersgill: I want a little bit of fairness and a little bit of equality. The hon. member for Iles-de-la-Madeleine who interrupted me a little while ago, at the conclusion of his speech, said that if we could suggest some simple method by which the fishermen could be aided as the farmers were aided, he would support it. I have suggested two simple methods by which it could be done. I hope he will rise in his place and support them.

Mr. Keays: It is not sensible.

Mr. Pickersgill: Go and tell that to the fishermen. I certainly would not tell the fishermen that it is fair that the western farmers should receive P.F.A.A. cheques if they have complete crop failures and in addition to that get another $200, while the fisherman, if he can get one of these jobs on one of these works projects, gets $20. I would not want to go around and tell them that. If the members of this government want to do so they are perfectly welcome to do it.

Mr. McFarlane: Do you know that the farmers paid in to P.F.A.A.?

An hon. Member: How much?

Mr. Pickersgill: All I am suggesting is this. I admit right away what the minister said. I admit that you cannot have absolute mathematical equality. We did not have it in the acreage payments and the government did not make any such pretension. In no scheme which you have in effect to deal with this problem can you have it either. But in this way you could do something roughly comparable and it would be administratively quite easy to do.

[Mr. Pickersgill.]

The minister suggested that this scheme which we now have before us, as envisaged in this $300,000 vote, was what was suggested by the Newfoundland federation of fishermen last August. I think we really ought to look at what the Newfoundland federation of fishermen themselves said and not at the interpretation placed upon it by the minister. I should like to read from a letter sent by them to the minister of which I have a copy.

Mr. Browne (St. John's West): What is the date of the letter?

Mr. Pickersgill: The date of the letter is August 24, 1961. There are two or three points about the date that I wish to draw particularly to the attention of hon. gentlemen opposite. The general secretary treasurer of the Newfoundland federation of fishermen, Mr. P. J. Antle, wrote as follows:

> It is now apparent that the inshore fishery in Newfoundland has been a complete failure, due entirely to the scarcity of codfish. This disaster as it can be rightly described applies to fishermen all around the province. In a few areas a small number of fishermen did secure fair catches and obtained sufficient stamps to qualify for unemployment insurance benefits.

Just as a few farmers had bumper crops, but there were not many of them; and there certainly were not many fishermen who in August, at any rate, were in this category, although some of them may have improved their situation later in the year. The letter continues:

> The same general scarcity of fish still prevails and hopes for a successful fall fishery are fading day by day.

This was in August. That is when the government was warned about this problem and I want to emphasize that point. The letter continues:

> Thousands of our fishermen do a little subsistence farming and produce sufficient vegetables for local consumption. In normal years production of vegetables helped to supplement earnings from the fisheries. As a result of the long dry summer those precious crops were stunted or ruined completely. In addition many fishermen due to forest fires are precluded from augmenting their income from fall employment in the woods industry.
>
> The combination of disasters has left the great majority of our fishermen in desperate economic conditions. These conditions will grow worse with the approach of winter.

The letter continues:

> On behalf of our fishermen I am appealing to you, and through you to the federal government for some form of special assistance to help them through the winter.

"Some form".

> I will not attempt to outline the nature or form of such special assistance.

I am not accusing the minister of bad faith; I am just saying that the minister

did not correctly interpret this letter. Contrary to what the minister said, Mr. Antle did not say there must be works. He said:

I will not attempt to outline the nature or form of such special assistance. Men in your department more capable and with far more experience than I are best qualified to deal with such matters. However, I would suggest a continuation of community stage development, building or repairing of access roads to fishing communities and an expanded program of public works such as the construction of wharves and breakwaters.

This was just one suggestion, but it was the assistance for which they were appealing.

A further subject for study would be some form of loan program for inshore fishermen to enable them to engage in next year's fishery with adequate fishing equipment.

It was because of that phrase in that letter and the knowledge and experience that my friends from Newfoundland on this side of the house had of this situation that we ventured jointly to write a letter to the minister which was described by two of my colleagues in the course of their speeches and in which we made a very practical suggestion which the minister said looked fine until it was examined. But I cannot believe that the minister's department is so devoid of administrative capacity that if they had really wanted to accept this suggestion it would not have been quite possible to do so. They have fishery officers who during the winter months could very well have supervised this program and could very well have made sure that the materials provided were used for the purpose for which they were provided. The scheme was thoroughly practical, thoroughly simple and bound to help the fishermen. Then Mr. Antle went on to say:

Such program would necessitate a combined effort on the part of the Department of Fisheries, the Department of Public Works and the provincial government of Newfoundland.

That was August 24. There was not a word from the government all through the concluding part of last session. I must say that I fully expected that with that appeal from Mr. Antle and with the knowledge which the ministers in the government had, which I am sure was communicated to them by their distinguished colleague from Newfoundland, some special assistance would be provided in the concluding part of the last session of parliament which was held in September. But not a word did we hear.

Mr. Browne (St. John's West): Could I ask the hon. gentleman a question?

Mr. Pickersgill: Certainly.

Mr. Browne (St. John's West): Did he have any request from the premier of Newfoundland or the minister of fisheries of Newfoundland?

Mr. Pickersgill: No, sir, I did not have any request from them. I have read the constitution of Canada a good many times and I know that it is not in section 92 but in section 91 that jurisdiction exists over fisheries, and so does the minister. This is a national problem, something that is under the jurisdiction of parliament, not under the jurisdiction of the provincial government, and it should have been tackled by parliament in the same way that the wheat acreage payments were. There were no requests from provincial governments for acreage payments at all. That was done by the federal government on its own motion and the same treatment should have been accorded to the fishermen.

Agriculture is a joint responsibility of the federal and provincial governments. The fisheries are an exclusive responsibility of the federal government. Yet the minister from Newfoundland gets up and says, "Did you have any request from the premier"? It is not the premier's business; it is the business of the Solicitor General. That is what he is in the cabinet for, to put forward the claims of the people of Newfoundland. I should like to ask him what he did about it when this letter came. I hope that when I have concluded he will tell us about his gallant efforts on behalf of the fishermen, getting $20 a head for the fishermen when his colleague from Saskatchewan was getting $200 a head for the farmers.

Mr. Fulton: How much did you get?

Mr. Pickersgill: If that is the way he is going to fight the next election, I do not mind when it comes.

Mr. Fulton: How much did you get?

Mr. Pickersgill: I could tell the hon. gentleman that but it is not relevant to this debate. I am not going to be put off by any diversion from the hon. gentleman whose knowledge of fishing is, I imagine, greater than mine, but has nothing to do with the kind of fishing about which we are now talking.

Mr. Fulton: You are pretty easily put off.

Mr. Pickersgill: There was not a word about this from the federal government from August 24 until October 19. What was the brilliant way they intended to deal with it then? Did they bring forward a program of their own? I should like to read a message, of which I have a copy, which represents the first action by this government, two months after they were told that this problem was urgent and that it should be dealt with in the fall and not in the winter. On October 19 we have this message to the premier of Newfoundland from the Prime Minister of Canada:

The dominion government has been considering the difficulties of those fishing communities in Newfoundland which have suffered severely from the poor catch this year and we feel there are opportunities for providing needed assistance by taking advantage promptly of opportunities and funds now available under the municipal winter works program which is applicable to the local road boards in unorganized Newfoundland communities. I would suggest your government consider immediately working out with us arrangements to apply this program in outport communities where employment is needed. Please let me hear from you as soon as possible.

I have the reply of the premier of Newfoundland to that message and as I think it expresses the position more simply than I could paraphrase it I will read it. It is dated October 26, 1961 and is addressed to the Prime Minister:

My dear Prime Minister:

Thank you for your telegram of October 19 in which you say your government has been considering the difficulties of those fishing communities in Newfoundland which have suffered severely from the poor catch this year. You suggest taking advantage of opportunities and funds available under the municipal winter works program through local road boards where there are no municipal councils. We have carefully considered this suggestion but there are two almost insuperable difficulties. First, we could not in such winter works possibly discriminate between fishermen and other persons who might be equally in need and second, as your fisheries officers will confirm, the fishermen in question are scattered through some 600 settlements along 4,000 miles of coast and the administrative difficulties of organizing projects on such a scale with the limited facilities available for supervision hardly need any emphasis.

We suggest—

This was a counter suggestion made by the premier.

—as a more feasible alternative that the federal government consider organizing through its fisheries officers and the public works department—

Not through the provincial government and the local road boards. In other words, Mr. Smallwood was simply saying that the federal government should mind its own business and do its own business.

We suggest as a more feasible alternative that the federal government consider organizing through its fisheries officers and public works department, a series of small marine projects such as fishermen's slipways, wharves and small breakwaters of which your public works department already has rough plans available—

I know they have lots of them.

—and that such projects be started and carried on as far as conveniently possible during the winter and early spring. Such a federal program, because of the constitutional responsibility of the federal government of Canada, could be done exclusively for fishermen and supervised jointly by your public works department and fisheries officers As such projects would undoubtedly provide some financial relief to our welfare department we would be prepared to provide 25 per cent of the labour costs—

[Mr. Pickersgill.]

You will see the reason why this provision is made. The premier felt that if nothing was done the welfare costs incurred by the province would be greater and that if some of these projects were undertaken there would be a saving in one respect to the province and they would have this money which they could use to pay part of the labour costs.

The letter continues:

As such projects would undoubtedly provide some financial relief to our welfare department we would be prepared to provide 25 per cent of the labour costs of any such projects undertaken during the winter and spring, notwithstanding the fact that such undertakings would be exclusively in the field of activity as signed by the constitution to the government of Canada.

Now, here was something that was entirely the business of the government of Canada and no business of the provincial government at all. The Prime Minister tried to pass the buck to the province. The premier pointed out, and pointed out very considerately, courteously and respectfully, that it would not work and why it could not possibly work. In order to be constructive he put forward an alternative, something that any self-respecting national government would have done on its own. In order to be as conciliatory as possible the provincial government offered to pay part of the labour costs.

What happened after that? The Prime Minister sent another message, and I think the real story of this vote should be on the record. I am sorry the minister did not see fit to place it on the record. We should know what really did happen. The Prime Minister, on November 3, sent a further message to the premier in which he said:

Reurlet October 26 assistance to fishermen would like to clarify October 19 proposal. I do not believe that there will be any possible discrimination since any settlement incorporated or unincorporated anywhere in the province is eligible under winter works incentive program to secure grant equal to amount provided by your government for labour in annual road building grants. Understand such grants made to five hundred seventy five settlements last year under administration of your department of highways. If plan accepted all settlements can double their work programs at no additional cost to your government. Urgently request you to authorize representative to act during your absence to work out details of this practical program with this government.

I do not know who on earth advised the Prime Minister of Canada to send that message to the premier of Newfoundland. Whoever it was knew nothing about Newfoundland, nothing whatever. In the first place, what are these local road programs? They are programs that are carried on normally in the summer and fall. They are not winter works at all. Most of that money had already been spent long before that telegram was sent. Moreover, these works are works for

the whole community and no government would dare to say that only fishermen could be employed on them or that other people who were not fishermen could not be employed, as the premier had already pointed out. As a matter of fact, whoever the Prime Minister may have consulted about this, I may say it was about as foolish a message as could possibly have been sent.

In the meantime, the premier of Newfoundland had gone overseas on provincial business and the acting premier replied to this telegram. In order to make the story complete, sir, I should like to read the reply. It is dated November 8, and reads as follows:

> Retel am wondering whether it is clearly understood by government of Canada that local road grants for present year referred to were made during the spring and summer and that practically all allocations totalling approximately four hundred thousand dollars regular grant and one hundred thousand supplementary grants for special needs have now been expended. Are we to understand from your telegram that government of Canada is prepared to match this amount which has already been expended by our local road boards without further cost to the government of Newfoundland.

Now, that is very important. In the settlements where the money had already been spent, was the federal government going to spend the same amount without cost to the provincial government? That is what the acting premier is asking.

> Would appreciate your confirmation that this is so.

Then, he sent a letter in some detail which I will not weary the committee by reading, incorporating the telegram and, for greater certainty, expanding on this program. I have here a copy of a document prepared by the acting premier who, when he furnished me with a copy of this letter, wrote:

> After the foregoing message was sent to the Prime Minister Honourable W. J. Browne made a statement. The report I heard over the air stated that according to Mr. Browne the federal government had turned down a suggestion by Premier Smallwood. They would, however, be considering at an early date a proposition put forward by the attorney general.
>
> In order to make it quite clear that my telegram was not to be considered as other than an inquiry I addressed the attached letter to the Prime Minister.

That is the letter to which I refer.

Mr. Browne (St. John's West): Perhaps you had better read it.

Mr. Pickersgill: The minister suggests that I should read it. I am quite prepared to read it if the minister really wants me to do so. I am sure the minister is very familiar with the contents. They bear out completely what was said. It is dated November 10, and the first part of it reads:

> This will confirm my telegram to you dated the 8th inst. with reference to your correspondence with Premier Smallwood re assistance to fishermen.

Then, the telegram is again given verbatim and I will not read it a second time. The letter continues as follows:

> Before Premier Smallwood left for Europe he asked me to handle this matter in his absence; but before authorizing an expenditure of between one quarter and one half a million dollars, I wanted to be quite sure that there would be no misunderstanding between the government of Canada on the one hand and the government of Newfoundland on the other.
>
> Your telegram of the 3rd instant states that any settlement, incorporated or unincorporated anywhere in the province is eligible under winter works incentive program to secure a grant equal to the amount provided by your government for labour in annual road building grants. The amount appropriated by the Newfoundland government to five hundred and twenty-four settlements this year was approximately $400,000, being $2 per capita of the population of each area. In addition, an amount of $100,000 was appropriated for special works, such as local bridges, etc. We have been trying to find out how much of this money was spent in materials and for hire and how much in labour. It would seem from the tabulations already prepared (and many returns are not yet in) that the amount for labour would be about 75 per cent of the various allocations. Of course the amount would vary from settlement to settlement according to the nature of the work done.
>
> If I interpret your telegram of November 3, correctly it would seem to me that your government is now offering these various road boards approximately 75 per cent of the amount of their annual grant, or roughly $300,000, and I have given instructions to the department of highways to be ready to notify the road boards concerned that this additional money is available as soon as my interpretation is confirmed.

The Deputy Chairman: I am sorry, but I have to advise the hon. gentleman that his time has expired.

Mr. Pickersgill: Perhaps for the sake of continuity, the committee might consider permitting me to finish reading the letter.

The Deputy Chairman: Does the committee give unanimous consent to the hon. member continuing his quotation?

Some hon. Members: Agreed.

Mr. Pickersgill: I continue the quotation:

> The regular practice in allocating road board moneys is for the road boards concerned to call a public meeting of the settlement and to put before that meeting a program of expenditure which must be approved by that meeting before any funds are allocated by the government. In that way the public has some control over expenditure. In view of the lateness of the season it would seem that the various road boards will have to be left on their own to decide how and where these additional moneys, if available, are to be spent.
>
> I am sure the various settlements will appreciate the expenditure in their areas of these additional moneys, but I doubt very much if the expenditure of $1.50 per capita in any community (and that figure would seem to represent the labour share of our annual road grants), would be of any substantial assistance to fishermen in a small community.

Then, there is the usual appropriate conclusion. Since my time has expired, sir, I will reserve my other remarks until some other hon. gentleman has spoken.

Mr. Nasserden: I had not intended to take part in this debate but the remarks made by the hon. member for Bonavista-Twillingate have cast what I consider to be an unfair reflection on some of the people I represent and on some of the policies brought forward by this government, and the former government of which he was a member, to provide assistance for the people in my area.

I am sure the fishermen of Newfoundland would not wish to be associated with any misrepresentation made by the hon. member for Bonavista-Twillingate. The Prairie Farm Assistance Act is a measure which was introduced to relieve distress caused by drought and crop failure in the wheat growing regions of western Canada.

Mr. Pickersgill: By a Liberal government.

Mr. Nasserden: I am proud to acknowledge that fact and to say this government improved on that legislation. It provides that on each bushel of grain delivered to the grain elevators by farmers in western Canada, there is a levy imposed, deducted, and put in a fund and that fund, assisted by the treasury of Canada, is used to pay awards to those farmers who qualify after their crops have been inspected and it has been determined that they have suffered through crop failure.

The acreage payment is, of course, another matter, being in the nature of a subsidy to Canadian consumers of bread. From its introduction in 1958 it was considered in that respect, and it has absolutely no similarity to a drought payment, so far as the farmers of western Canada are concerned. I hope the fishermen in Newfoundland will pardon me for interrupting a debate in which I know they are vitally interested, but I thought that on behalf of my own constituents I should make this correction of the facts that have been placed before us today.

Mr. Pickersgill: I am most grateful to the hon. member for Rosthern and I have no quarrel with one word he has said. I am just as proud of the P.F.A.A. as he is. I am proud of the fact it was introduced by a Liberal government and I only wish something similar existed for the benefit of the fishermen.

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

Mr. Pickersgill: I really have a lot of things I want to say about the fishermen, and I deliberately refrained from bringing the fishermen into the debate on the acreage payments.

[Mr. Pickersgill.]

Mr. Nasserden: I should like to ask a question.

Mr. Pickersgill: Perhaps the hon. member could ask it when I have concluded. I would prefer to continue my remarks and conclude the account of what actually did happen about this matter. There were one or two more communications and I do not want anyone to say that I have left out any part of the record.

On November 15 the Prime Minister replied to these communications, the letter and the telegram, and he said:

Dear Mr. Curtis:

While I will be absent for a couple of days I wish at once to acknowledge receipt of your letter of the 10th instant which just came into my office this afternoon.

I will turn your letter over to the Minister of Northern Affairs for his immediate attention.

I am not quite sure why it was the "Minister of Northern Affairs", but that is what the letter says. Then, on November 21, the Prime Minister sent a telegram to Mr. Curtis, the acting premier, which reads as follows:

With further reference problem certain fishing settlements where fisherman had poor results in fishing season we are prepared through winter works incentive program to match labour content of all local road boards grants eligible under that program and possibly including work done since October 15th.

I direct the attention of members to that. It is very different from the first brave offer, which said they were going to match all of the road grants for the whole season, but when the facts began to trickle slowly down in Ottawa they reneged on that offer and said "Oh, no, we will only match those in the settlements where the money has not been spent, possibly including work done since October 15." In that way a settlement in which the people had energetically got their road work done would not get any benefit. That is part of the history of non-discriminatory, practical policy suggested by hon. gentlemen opposite to deal with the problem. The telegram continues:

Where such expenditure fails to meet need we are prepared to provide additional funds up to $300,000 for local public improvement projects capable of being carried out by March 31st, 1962, in fishing settlements mutually agreed as requiring assistance provided your government will contribute 25 per cent of labour cost as suggested premier's letter October 26th.

In other words, the federal government was not willing to assume its own responsibilities and do the job itself. It insisted on getting the last nickel it could get out of the treasury of Newfoundland, to deal with a national problem that was its responsibility.

I have another message from Mr. Curtis to the Prime Minister. It is the same date, November 21, and is as follows:

Thank you for your telegram re assistance to fishermen. Newfoundland government will co-operate by contributing 25 per cent of labour cost local public improvement projects as proposed by Premier Smallwood—

This was the same scheme as the Solicitor General said they had already turned down.

—and accepted by you in settlements mutually agreed as requiring assistance. Presume it will be in order now for our nominee to contact your Minister of Northern Affairs and this will be done promptly. Kindest regards.

Then there is one other message, from the Prime Minister to Mr. Curtis, dated November 24, 1961. This spanned the period from August to September, one month; September to October two months, and October to November; three months after Mr. Antle brought this urgent matter to the attention of the government. It was three months before anything got off the ground because of the buck passing performance that had been carried on. The message reads as follows:

Thank you for your message of the 21st accepting our proposal re assistance to fishermen. Will advise you Friday names of our officials designated to confer with your nominee.

I would draw attention to the fact that all Mr. Curtis accepted, all he had agreed to was to co-operate by contributing 25 per cent of the labour cost. This was a federal scheme. This $300,000 was federal money and towards that scheme the provincial government said it would contribute 25 per cent of the labour cost.

I have not got any further documentary evidence and I prefer to speak only about those things that I really know, but I have read what took place in the legislature. Indeed, I was present in the house on December 4 when this was first discussed, but the latest statement that has come to my attention is a quite recent one which I should like to put on the record. It is from the St. John's daily *News* of January 16, 1962. In it there is an article headed:

Federal winter works aid misunderstood—blame lies with Ottawa.

Throughout Newfoundland there seems to be quite a bit of misunderstanding about the federal government's winter works for the distressed fishermen.

In an announcement yesterday, the Premier said that some people do not seem to understand that this whole scheme belongs to the federal government at Ottawa.

"The Newfoundland government do not like it," the premier declared, "and have said so very plainly.

Indeed, some of the things he said in the legislature were not very flattering. However, the article continues:

"I denounced it strongly in the House of Assembly, and so did everyone else in the Newfoundland government."

Another part of the article reports the premier as follows:

"The Canadian government officials came to St. John's from Ottawa and planned out the whole scheme," Mr. Smallwood continued.

"They decided what place along the seacoast should receive anything from the winter works program. They picked out the very settlements where this scheme would be carried out. They decided how much money would be sent to each individual settlement.

The Newfoundland government had nothing whatsoever to do with selecting the bays or settlements, or anything to do with deciding how much money would be sent to each place".

Concerning the money from Ottawa, the premier had this to say: "The Newfoundland government were asked if they would permit the money provided by Ottawa to be sent to the local boards in the various settlements—the town councils, community councils, local road boards, etc. The Newfoundland government agreed that the money could be sent to those organizations but the Newfoundland government refused point blank to decide how the money should be spent".

That is all that is in direct quotation marks and therefore that is all with which I think I should weary the committee. I wish to make a few very brief observations. As my hon. friend from Burin-Burgeo said when he opened the discussion of this estimate, notwithstanding the inequity, notwithstanding the impossibility of deciding whether this aid would go to fishermen or to other persons in the settlements, notwithstanding the difficulties of administration and the inadequacy of the road boards, with the best will in the world, to administer this kind of program, particularly when it was delayed for three unnecessary months from August until November, if this government was prepared to do nothing else, in view of the very serious crop failure of the fishermen this is better than nothing and we are not going to be so foolish as to refuse it.

But when we apply to it the test—and I quote the words of the Minister of Fisheries as I took them down—which we ought to apply, being completely fair, with complete fairness and justice to all—those were the words which I copied down as the minister uttered them—and consider that the whole thing is rubbed in by asking us to vote this money immediately after the acreage payments, the discrepancy is so frightful that it is hard to believe that the government had any notion at all of the kind of problem with which they were dealing.

There was no reason on earth why the federal government should not in August, when that letter came, have sent Mr. McArthur or one of the other capable people they have in the department to Newfoundland and on their own responsibility produced a thoroughly workable scheme for dealing with this problem. It is a national problem which under our constitution belongs to this

parliament and not to the legislature. The government should have done this instead of offering winter works. These same winter works were offered the winter before and the winter before that. They were available on exactly the same terms. The original offer of October 19 was absolutely nothing that was not already there for any other province which did not have this crop failure.

It was only when the premier of Newfoundland stirred them up by saying that Newfoundland, though it needs every dollar in its treasury for provincial purposes, would help this great federal government in a scheme if they would get a scheme started and do it themselves, that we got anything at all; and still we got something that is a hit or miss, haphazard arrangement. You cannot tell whether the aid really goes to the fishermen or not.

Perhaps it should not. It is hard to go into one of these communities where a man who is not a fisherman needs a job just as badly as one who is a fisherman, and say to the one who is a fisherman, "You can have a job" and to the one who is not a fisherman, "You cannot". I should not like to do that and I should not like to be part of the government which foisted that kind of policy upon the local authorities and road boards. That was not done to the farmers, as my hon. friend from Burin-Burgeo pointed out. The farmers did not have to go out and work for their $200. They received a cheque. Why should not the fishermen be treated in the same way as the farmers?

Mr. Browne (St. John's West): Mr. Antle said they did not want a handout.

Mr. Pickersgill: Oh, the Solicitor General calls what the government has given to the farmers a handout.

Mr. Browne (St. John's West): I said that was what Mr. Antle said.

Mr. Pickersgill: The minister said the fishermen did not want a handout. In other words, he is calling the acreage payments a handout.

Mr. Browne (St. John's West): On a question of privilege, Mr. Chairman, I said to the hon. member that Mr. Antle, whom the hon. member quoted, said they did not want handouts. He wrote that himself.

Mr. Jones: Acreage payments are not handouts at all.

Mr. Pickersgill: If acreage payments are not handouts, why would a payment to the fishermen be a handout, because the problem of a deficiency of income was precisely the same in both cases. It was a crop failure in both cases. Why is it not a handout if it is paid to the farmer, and is a handout if it is paid to the fisherman? I cannot understand it, and neither can any reasonable man in Newfoundland or anywhere else.

In any event, Mr. Antle said—unfortunately I sent his letter to *Hansard* so I cannot quote his sentence verbatim—that it was up to the federal government to decide what was the best method of assistance. He did make a few suggestions, but he was not trying to govern Canada. Do not try to pass the buck to Mr. Antle, as you tried unsuccessfully to pass it to the premier of Newfoundland. It was the responsibility of these hon. gentlemen on the treasury benches who were given a huge majority to govern Canada, and who refuse to deal with any problem that arises, in any constructive fashion. I have been given a copy of Mr. Antle's letter and I think it is worth reading again what he said.

Mr. Browne (St. John's West): Mr. Chairman, I did not say it was in his letter. I said that he made that statement in the Newfoundland *Fisherman*, the magazine published by the Newfoundland federation of fishermen.

Mr. Pickersgill: I am sure the Solicitor General knows just as well as I what Mr. Antle meant. He meant that the fishermen did not want to have to go on relief. The Solicitor General's leader promised that no one in Canada would have to go on relief if they voted for him in 1958. I have the promise right here.

An hon. Member: That is not true.

Mr. Pickersgill: That is what was meant by a handout. They meant they wanted to be treated like any other Canadian and not driven on to relief. But hon. gentlemen opposite prefer to give them $20 and let them go on relief. That is their policy, and it does not wash. It is not good enough. If that is their conception of complete fairness and justice to all—

An hon. Member: It is a lot better than you did.

Mr. Pickersgill: The hon. gentleman says, "It is a lot better than you did". I also read—

Mr. Monteith (Perth): So right.

Mr. Pickersgill: A short time ago I read the Prime Minister's promise at Yarmouth, that there would be price supports for the fishermen as there are for the farmers, with the price known at the beginning of the season. Has that happened in the last four years since the promise was made? It is all of a piece, sir.

Mr. Monteith (Perth): You have only Newfoundland members in the committee now.

Mr. Pickersgill: I know the hon. gentleman is not very much interested in Newfoundland—that is very evident—and neither are the rest of his colleagues.

Mr. Browne (St. John's West): You are monopolizing all the time.

Mr. Monteith (Perth): Five members from Newfoundland; nobody else.

Mr. Pickersgill: On a question of privilege, Mr. Chairman, the Solicitor General said I was monopolizing all the time. This debate started before four o'clock this afternoon and I did not rise until two minutes to six o'clock, so that anyone who says I have monopolized all the time is absolutely incorrect. Before I intervened in the debate I waited until every other hon. member who wanted to speak had an opportunity to do so. I represent a very large number of fishermen who had a crop failure last year. I was elected to represent these people and I intend to represent them and support them, and not make excuses for the failure of this government to accept its responsibilities and discharge them seriously and fairly.

Mr. Charlton: Are you going to have a convention this time too?

Mr. Pickersgill: The hon. gentleman is worried about a convention. If he would like to come down and represent his party, which has never had a convention in my constituency, I think his fate would not be different from that of his predecessors. I would not, if I were the hon. gentleman, talk very much about that subject. In any event, like most of the other interventions from the other side of the house, it is altogether irrelevant to the vote before us. If this is all the government will do—if they are not shamed into doing something better—it is still a pittance; it still is something, and nobody is going to refuse it.

Mr. MacLean (Queens): There are a few remarks I should like to make. I do not intend to detain the committee long, because it may feel inclined to pass this item before it rises. I should like to point out, as I have said before, that as far as the income of inshore fishermen in Newfoundland is concerned, in 1961 it was 1 per cent less than the three year average and for 1961 as compared with 1960 it showed a decline of a little more than $1 million—about $1,250,000 in round figures, or approximately 10 per cent as compared with 1960—and 1960 was one of the best income years that the fishermen of Newfoundland had experienced since union, since the time when the federal Department of Fisheries undertook its responsibility toward Newfoundland.

The hon. member for Bonavista-Twillingate has poured scorn on the negotiations which began very shortly after the first request for assistance was made, and which were carried out by officials of my department. I do not want to name individuals, but some of the groups included Mr. McArthur to whom the hon. member referred. They went down to Newfoundland and conferred with representatives of the industry and of the provincial government. Afterwards they came up with the advice on which this program was based. The hon. member for Bonavista-Twillingate has said that anyone who could persuade the Prime Minister to write such a letter was foolish—that it was utter nonsense and he was displaying his ignorance of the situation in Newfoundland. I have advisers in my department who, I believe, are second to none among civil servants who are fisheries experts anywhere in the world. I say that they take second place to no one in the federal service, and on their advice and with the best judgment I could muster I made those recommendations and I take full responsibility for them. I do not say for one moment, nor do I pretend to say that my intimate knowledge of the fisheries of Newfoundland is great, but at least I am a neighbour of Newfoundland and I am an east coaster familiar with the environment in which the fishermen live. Small as my knowledge may be I do not intend that it should be overridden by the vast lack of knowledge displayed by the hon. member for Bonavista-Twillingate.

I have proposed this item to this committee on the basis of the best advice available, with the cheerful co-operation of the officials and of the government of Newfoundland up to a certain point—about the day the legislature opened. The hon. member for Bonavista-Twillingate has admitted he was there on that day. Then the attitude of the provincial government seems to have changed overnight. They have disowned a thing which they agreed was suitable to begin with. I hope that is nothing more than coincidence.

Mr. Pickersgill: Thank you for the compliment.

Mr. MacLean (Queens): Never during the course of the negotiations did the Newfoundland government once suggest the amount was too small. I admit it is small, because it is approximately 35 per cent of the total drop of income of the Newfoundland fishermen in 1961 as compared with 1960. The hon. member has contrasted this amount of $300,000 with the $42 million paid as an acreage

payment to the western farmers. I say that this $300,000 is 35 per cent of the loss of income in the one year as compared with the other to the Newfoundland fishermen. Well, the $42 million just approved by this committee represents only 10 per cent of the drop in income experienced by the western farmers from one year to the next.

Since I have become minister in charge of this department I have taken a special interest in the fishermen of Newfoundland. It has been suggested by hon. members from the west coast that my interest is too great. I make no apologies, because Newfoundland, as far as government services are concerned, has a great deal of catching up to do. It is my intention to do what I can to improve the situation in which the fishermen of Newfoundland make their living. It is a hard life. Since I have been minister my department has doubled the outlets for subsidized bait to Newfoundland. We have increased the subsidy on long-liners and larger vessels of that sort in order that the fishermen may go out and fish where the fish are to be found rather than be dependant on the fish coming close to shore. There are many other things I could say. My department is most anxious to do what it can for the fishermen of Newfoundland so as to improve their lot, and I am not going to sell them short. I have a great deal of respect for the fishermen of Newfoundland. I know them to be a self-reliant, hardworking, honourable class of people.

Having said that, I want to say, in closing, only this: I do not pretend that this is the whole answer to all the ills of the fishermen of Newfoundland or that in the administration and distribution of this grant there will not be some who will feel they should have got more or that others are getting too much. There are bound to be difficulties and criticisms. Has there ever been anyone who has tried to improve the lot of his fellowmen who has not been criticized? The hon member for Bonavista-Twillingate has taken 50 minutes to express his point of view. I see it is ten o'clock, now, and I am going to sit down, but the hon. member has taken 50 minutes to pour scorn on this item and all I can say is that if I thought an item was as bad as this one is in his opinion I would not want to be associated with it. So I invite the hon. member who, I presume, is speaking for his party, to get up and move that this item be reduced to $1 if he feels that way about it.

The Deputy Chairman: Shall vote 612 carry?

Some hon. Members: Carried.

Item agreed to.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Before we adjourn perhaps the house leader could indicate what we will do for the rest of the week. It would be of help if he could do so.

Mr. Churchill: We will continue with the program I outlined yesterday, namely conclude the supplementary estimates and then go on with the resolutions standing in the name of the Minister of National Health and Welfare.

Mr. Pickersgill: If that business is completed tomorrow, can the minister say whether we would resume on Thursday debate on the address in reply to the speech from the throne?

Mr. Churchill: The type of question that is offered to me is one that I could answer if the members of the opposition would tell me when we are going to complete the business that I have already outlined.

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

[The following items were passed in committee of supply]:

DEPARTMENT OF AGRICULTURE

Production and marketing branch—

611. Payments to western grain producers to be distributed on the following basis, namely, $1 per cultivated acre up to a maximum of 200 acres per farm in accordance with regulations of the governor in council, $42,000,000.

DEPARTMENT OF FISHERIES

Special—

612. Contribution towards a special Newfoundland works program for fishing settlements that experienced income reduction resulting from decreased catches, $300,000.

HOUSE OF COMMONS

Wednesday, January 31, 1962

The house met at 2.30 p.m.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

SURPLUS MANPOWER AREAS

Question No. 25—**Mr. Pitman:**

1. How many areas have been designated as surplus manpower areas as of December 31, 1961?
2. What areas have been so designated as of December 31, 1961?
3. How many industries have been established in these areas as a result of double depreciation provisions granted in 1961 under the Income Tax Act.
4. What is the total employment given by these industries?
5. How many new industries processing new products and Canadian materials have been established under the provisions of double depreciation as granted in 1961 under the Income Tax Act?
6. What is the total employment of these industries?

Answer by: **Mr. Balcer:**

1. As of December 31, 1961, 19 areas and localities had been designated.

2. The following areas and localities have been designated: National employment service local office areas—Amherst, N.S., New Glasgow, N.S., Springhill, N.S., Newcastle, N.B., Drummondville, P.Q., Cornwall, Ontario, Elliot Lake, Ontario, Windsor, Ontario; Localities—Louisburg, N.S., Grand Falls-St. Leonard, N.B., Milltown, N.B., Port Elgin, N.B., Sackville, N.B., Campbellton, N.B., Louisville, P.Q., Matane, P.Q., Tracy, P.Q., La Broquerie, Manitoba, Drumheller, Alberta.

3, 4, 5 and 6. To be answered by the Department of Trade and Commerce.

3. To date, 9 new industries are being established in surplus manpower areas as a result of the special capital cost allowance program. In addition, several other applications are under consideration in the department at the present time. These industries will produce 22 new products.

4. The employment effects of the capital cost allowance program have been twofold. In many cases, immediate employment has been given to construction workers in the erection of new or expanded premises. Industries supplying materials, equipment and machinery have also benefited. In many cases, the new plants will not be completed for several months and the full employment-giving impact of these new industries may not be fully realized for some months. In total, we believe that a large number of workers will find jobs in surplus manpower areas because of the program.

5. To date a total of 66 new industries have been established under the program. These industries will be producing close to 100 new products. In addition, the department is examining a considerable number of other applications and these will result in the establishment of more facilities to produce new products.

6. Because many of these industries are in the process of being established, that is, having plants erected, buying machinery, etc., it is not possible to know how many workers they will ultimately employ. At the present time, they are giving employment to substantial numbers of construction workers who are erecting new and expanded plants. Furthermore, employment in machinery and equipment supplying industries has been assisted through the orders placed by these new industries. We believe that the total employment resulting from the program will be substantial.

*MR. ABBÉ BERGERON—SERVICE WITH ST. LAWRENCE SEAWAY

Question No. 43—**Mr. Pigeon:**

1. Has Mr. Abbé Bergeron, from Cornwall, Ontario, ever held a position with the St. Lawrence seaway authority and, if so, during what year, and for how many months?
2. What were his duties and working conditions?
3. By whom was he recommended to the president of the St. Lawrence seaway authority?
4. Who was then president of the St. Lawrence seaway authority?

Mr. Martini: The answer to No. 1 is yes; 1957—7 months; 1958—11 months.

The answer to the second part of the question is: soils inspector on construction of dike in Laprairie basin from May 29, 1957, to December 3, 1957; watchman at St. Lambert from December 4, 1957, to April 15, 1958; soils inspector on construction of dike in Laprairie basin from April 16, 1958, to November 28, 1958.

Working conditions as (1) soils inspector—casual employee, 40 hour week; (2) watchman—prevailing rate employee, 48 hour week.

In reply to the third part of the question, there is no record of any recommendation to the president of the authority.

Questions

The answer to the fourth part of the question is: Mr. Charles Gavsie until January 31, 1958; Mr. B. J. Roberts from February 1, 1958.

LINCOLN PARK R.C.A.F. BASE, LETHBRIDGE—IRREGULARITIES

Question No. 56—**Mr. Argue:**

1. Have any irregularities taken place at the Lincoln park R.C.A.F. base, Lethbridge, involving (a) the R.C.A.F. detachment in Lethbridge (b) Canadian Pacific Airlines (Repair) Ltd.?

2. If so, is an investigation under way, or has one been carried out?

3. If so, what is the result of the investigation?

Answer by: **Mr. Chambers:**

1. Yes, in the disposal of material from stored aircraft at Lethbridge.

2. An investigation is under way.

3. Results of investigation reported to date are as follows:

Three civilian employees of Canadian Pacific Airlines (Repair) were tried in civil court on December 12, 1961. A total of 15 charges, each involving government property, were preferred by the R.C.M.P. This included 11 charges of theft over $50, three under $50 and one of illegal possession. Each person was given a two year suspended sentence on each offence, as charged, to run concurrently.

The three persons, who were charged, as above, were suspended from duty by C.P.A. (R) on November 20, 1961. They were dismissed from the company on November 27, 1961. Four other civilian employees were temporarily suspended by C.P.A. (R) on November 20, 1961 but were reinstated shortly thereafter. One of the latter was subsequently dismissed by the company. No R.C.A.F. personnel were implicated.

INCREASE IN INFECTIOUS HEPATITIS

Question No. 58—**Mr. Martin (Essex East):**

Is the Minister of National Health and Welfare in a position to explain the increase in the incidence of infectious hepatitis in Canada in the past year?

Answer by: **Mr. Monteith (Perth):**

The reason for the increased incidence of infectious hepatitis in Canada last year is not known precisely. However probably the reasons are (1) the tendency for the disease to appear in cycles and (2) better reporting of the disease.

Infectious hepatitis is most common in children and young adults. Many infections are mild, develop no jaundice, and are recognizable only by liver function tests. The mode of spread of infectious hepatitis is similar to that of intestinal infections. The principal mode of spread of this disease is probably through intimate person to person contact.

[Mr. Martini.]

BLIND PERSONS ALLOWANCE—REPRESENTATIONS

Question No. 59—**Mr. Martin (Essex East):**

1. Has the government received representations from any organizations, requesting a specific allowance for blind persons of $25 a month free of a means test, to compensate for extra expenses incurred because of blindness?

2. If so, from what organizations have such representations been received, and what answer has the government made?

Answer by: **Mr. Monteith (Perth):**

1. Yes.

2. Representations were made by a joint deputation of the Canadian Council of the Blind and the Canadian National Institute for the Blind on September 26 last. The Minister of National Health and Welfare in meeting with this group indicated the desire on the part of the government to be helpful to blind persons and that their representations would receive very careful consideration. He mentioned that in any steps taken to improve Canada's social welfare legislation the needs of blind persons would certainly be included and that in this regard it was hoped that further steps would be taken at the next session of parliament.

A number of these steps have already been announced. The increase in the maximum benefit to $65 a month and the provision of a higher income ceiling under the Blind Persons Act will with the co-operation of the provinces bring added income to more than 8,500 blind persons across Canada. The increase in the federal old age security pension to $65 a month will bring higher benefits to between 10,000 and 11,000 blind persons now covered by that program. The proposal for the establishment of a national council of welfare at this time is for the purpose of advising on the federal government's social assistance programs including the Blind Persons Act; the representations made by organizations representing blind persons with respect to the further improvement of legislation affecting the blind are of course especially important in the consideration of this question. The fourth step relates to plans, if the provinces agree to a constitutional amendment, to introduce an old age survivors and disability insurance program which would include social insurance protection against blindness along with other disabilities.

CHRISTMAS POSTAGE STAMP—REPRESENTATIONS

Question No. 60—**Mr. Martin (Essex East):**

1. Has the postmaster general received representations from any organizations or individuals for a special Christmas postage stamp?

2. If so, from what organizations or individuals, and what reasons were given for not complying with such requests?

Answer by: **Mr. Hamilton (Notre Dame de Grace):**

1. Yes.

2. (a) The following individuals and organizations submitted letters during the past year recommending the issue of a special Christmas postage stamp. This list is representative of requests received during previous years.

Mr. Robert Kingham, 125 Victoria ave. S., Hamilton, Ont., 5th Jan. 1962,

Miss Grace N. Gawley, 17 Lascelles blvd., Toronto 7, Ont., Dec. 1961,

Mr. T. D. Hulbert, 3325 E. 27th ave., Vancouver 12, B.C., 30th Nov. 1961,

Mr. H. Barrett, Richmond, Surrey, England, 19th Aug. 1961,

Hon. Paul Martin, M.P., House of Commons, Ottawa, 8th Sept. 1961,

Sr. Rose-de-la-Trinite, c.s.c., 1295 Basil Moreau, Montreal 9, 31st July 1961,

Mr. Norman M. Easton, Minto st., Regina, Sask., 6th June 1961,

Mr. Laurier Regnier, M.P., House of Commons, Ottawa, 14th April 1961—May 1960,

Mr. J. R. Tucker, M.P., House of Commons, Ottawa, 14th April 1961—29th Dec. 1960,

Mr. C. W. Carter, M.P., House of Commons, Ottawa, 13th April 1961,

Letter referred from the chairman "Christ in Christmas campaign" St. John's, Newfoundland, by Mr. J. A. McGrath, M.P., House of Commons, 20th Dec. 1960; by Hon. W. J. Browne, M.P., Solicitor General, Ottawa, 6th Jan. 1961; by Mr. C. R. Granger, M.P., House of Commons, 27th Jan. 1961.

Master David Carter, 469A LaFontaine st., Montreal, Jan. 1961.

(b) For a great many years it has been the policy to avoid the representation of a religious subject on postage stamps in Canada. This long standing policy was maintained to promote religious tolerance and mutual respect. It is believed that there are a great many conscientious Christians who believe strongly that there should not be a Christmas stamp. In this country where there is such a high degree of tolerance of various points of view, particularly in religious convictions, postage stamps to commemorate the religious character of Christmas might very well have the opposite effect from that intended by those who have advocated it. Until there is a much more uniform opinion on this question, it is thought the issue of a Christmas stamp would be inadvisable.

C.N.R. STATION AGENT, STONEY POINT, ONT.

Question No. 63—**Mr. Martin (Essex East):**

1. Will the Minister of Transport advise whether the board of transport commissioners has issued an order granting the Canadian National Railways authority to remove the station agent at Stoney Point, Ontario?

2. If so, what is the effective date of this arrangement?

Answer by: **Mr. Martini:**

The board of transport commissioners for Canada advise as follows:

1. Yes, by order No. 106776 dated January 11, 1962 of the Board of Transport Commissioners for Canada.

2. As soon as arranged by the Canadian National Railways.

P.E.I. CAUSEWAY SURVEY

Question No. 64—**Mr. McWilliam:**

Have the studies into the Prince Edward Island causeway been completed to the point where such studies have demonstrated the feasibility of constructing such a causeway?

Answer by: **Mr. Walker:**

No. The engineers are reasonably certain at this stage that some type of crossing can be constructed. However, studies into the designs for various types of crossings and into some of the engineering problems associated with them, all of which have a bearing on cost and feasibility, are still not completed.

*GRAIN ELEVATOR STORAGE CAPACITY, PRINCE RUPERT, B.C.

Question No. 74—**Mr. Howard:**

1. Since January 1, 1958, have any studies been made of the possibility of increasing the storage capacity of the grain elevators at Prince Rupert, B.C., and, if so, what do these studies indicate?

2. Have any steps been taken or are any contemplated with respect to so increasing the storage capacity of the said elevator and, if so, what are they?

Mr. Jorgenson: In reply to the hon. member's question I wish to advise him that an interdepartmental committee has been appointed to study the problems related to the storage and handling of grains in Canada. Its major function will be to prepare an initial assessment of the adequacy of present facilities for the storage and handling of grain in relation to present and future requirements for the storage and the movement of Canadian grains. The situation in Prince Rupert will be examined during the course of the over-all study.

QUESTION PASSED AS ORDER FOR RETURN

C. M. DRURY—APPOINTMENTS AND DECORATIONS

Question No. 72—**Mr. Matheson:**

1. What civilian and military appointments, with dates, have been held by the C. M. Drury referred to by the Prime Minister on January 23, 1962?

2. What decorations, if any, have been conferred upon Drury?

3. Has this government honoured Drury by any appointment?

MOTIONS FOR PAPERS

UNIVERSITY GRANTS TO QUEBEC

Motion No. 1—**Mr. Cardin (for Mr. Chevrier):**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence between the Prime Minister of Canada and the premier of the province of Quebec concerning university grants since January 1, 1961.

Mr. Diefenbaker: Mr. Speaker, subject to the concurrence of the provincial government.

Mr. Speaker: Subject to the reservation expressed by the Prime Minister, is it the pleasure of the house to adopt the motion?

Motion agreed to.

METHOD OF AMENDING CONSTITUTION

Motion No. 2—**Mr. Cardin (for Mr. Chevrier):**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence exchanged between the Minister of Justice and the attorneys general or other provincial ministers since July 1, 1960, regarding the method of amending the constitution of Canada.

Mr. Fulton: Mr. Speaker, in anticipation of a request of this nature I wrote to the provinces, I think on January 9, to ascertain their position with regard to the production of correspondence. I have not as yet heard from all the provinces and would therefore ask that this motion stand.

Motion stands.

ROAD CONNECTION, KITAMAAT INDIAN RESERVE-KITIMAT MUNICIPALITY

Motion No. 3—**Mr. Howard:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams, and other documents exchanged between the federal government and any other government or person since January 1, 1956, and dealing with a road connection between the Indian reserve of Kitamaat and the municipality of Kitimat.

Mrs. Fairclough: Mr. Speaker, this motion can be accepted subject to the co-operation and permission of the provinces.

Mr. Speaker: Subject to the reservation expressed by the minister, is it the pleasure of the house to adopt the motion?

Motion agreed to.

INDIAN HANDICRAFT IMPORTS FROM JAPAN

Motion No. 4—**Mr. Howard:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams, and other documents exchanged between a Mrs. Bernadette Grey of Fort Fraser, B.C., and the superintendent general of Indian affairs or any official of the Indian affairs branch since January 1, 1960, regarding Indian handicrafts or imitation Indian handicrafts imported from Japan.

Mrs. Fairclough: Mr. Speaker, we accept this motion. There may be a short delay in procuring copies of this correspondence because some of it has to come from our field offices.

Motion agreed to.

CONTRACTS FOR SALE OF GRAIN TO CHINA

Motion No. 5—**Mr. McIlraith:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all contracts entered into between the Canadian wheat board and the China Resources Company for the sale of grain under the long term agreement between the Canadian wheat board and the China Resources Company.

Mr. Jorgenson: Mr. Speaker, in the absence of the minister I would ask that this motion stand, and also No. 6.

Mr. Speaker: The parliamentary secretary asks that this motion stand. Is it agreed?

Some hon. Members: Agreed.

Motion stands.

AGREEMENT FOR SALE OF WHEAT TO CHINA

Motion No. 6—**Mr. McIlraith:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of the long term agreement signed by the Canadian wheat board and the China Resources Company covering the period June 1, 1961, to December 1963.

Mr. Speaker: Is it agreed that this motion stand, at the request of the parliamentary secretary?

Some hon. Members: Agreed.

Motion stands.

TRADE

CUBA—CANADIAN POLICY FOLLOWING O.A.S. RESOLUTION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether the Canadian government intends to reconsider its policies toward the government of Cuba in the light of the resolution passed yesterday at the inter-American conference in Uruguay recommending the exclusion of that country from the organization of American states.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I think there was the general agreement on the part of hon. members in all parts of the house that so long as our trade with Cuba was in non-strategic materials there was no reason whatever to interfere with it. I think there were representatives of the official opposition as well as of the N.D.P. who held that view. No consideration has been given to any change in the policy.

WHEAT—INQUIRY AS TO NEGOTIATIONS FOR NEW AGREEMENT

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Acting Minister of Agriculture. Would the acting minister inform the house as to the general attitude being taken by the Canadian negotiators at Geneva having to do with the establishment of a further international wheat agreement? More particularly, would he comment on a press report in the Winnipeg *Free Press* that Canada is asking for a ceiling price of $2 to $2.10 a bushel while certain other countries are asking for a ceiling price of $2.35 a bushel?

Hon. D. S. Harkness (Acting Minister of Agriculture): As usual, Mr. Speaker, I will not comment on assumptions or guesses made by the Winnipeg *Free Press*. I can tell the hon. member that our delegation at this conference will do its best to have a further wheat agreement arrived at on equitable terms.

Mr. Argue: I wonder whether I might ask the minister if Canada is shooting for a ceiling price of $2.35 a bushel, or $2.10, or somewhere in between.

Mr. Harkness: Mr. Speaker, the hon. member may ask, as he has done, but I am not going to answer.

URANIUM—INQUIRY AS TO NEGOTIATIONS WITH UNITED KINGDOM

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Trade and Commerce whether any progress has been made in bringing to a conclusion the negotiations regarding the uranium contract with the United Kingdom since he last mentioned the matter in the house.

Hon. George H. Hees (Minister of Trade and Commerce): There is progress being made, Mr. Speaker.

Mr. Pickersgill: At the usual speed.

Inquiries of the Ministry

LABOUR CONDITIONS

BRANTFORD, ONT.—DISMISSAL OF EMPLOYEES OF IMPLEMENT COMPANY

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I wish to direct a question to the Minister of Labour. I wonder whether the minister is yet in a position to report, as a result of his discussions, with regard to the lay-offs of employees of the Cockshutt Farm Equipment Limited plant in Brantford. In particular, would the minister comment on the statement by the general manager that 600 employees are about to be laid off and will receive only about one third of the severance pay that they should get.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, the hon. member for Assiniboia is following up the question he posed to me yesterday. Since then I have had a long discussion with the hon. member for Brantford (Mr. Wratten) who is vitally interested in this matter, and I have contacted the national employment service office in Brantford.

We have received a report from the Brantford national employment service office that a part of the Cockshutt Farm Equipment plant is in process of sale to the White Motor Company and its affiliate the Oliver Farm Equipment Company. It is understood that this sale has been approved by the directors of Cockshutt Farm Equipment Limited and recommended to the shareholders.

Lay-offs have occurred at the plant over the last three weeks while some employees, it is understood, have left of their own accord to accept other employment. The Brantford national employment service office is finding employment within commuting distance of Brantford for some skilled tradesmen, while others are finding employment through personal contacts with other employers. One employer from outside the Brantford area has interviewed skilled tradesmen with a view to their employment elsewhere.

The prospect of alternative employment for the semi-skilled and unskilled workers is less bright at this moment. However, the situation concerning all those laid off is still somewhat uncertain until the sale has been completed and the intention of the new owners concerning the operation of the plant has become known. The national employment service office is keeping in close contact with the situation and will do everything possible to re-establish as quickly as possible the men who are being and will be laid off.

As to severance pay, that is not a matter which comes within federal jurisdiction. The agricultural implement industry is under provincial jurisdiction.

Mr. Argue: May I ask a supplementary question. In view of the interest which I am sure the minister has in maintaining as much employment in the country as possible, is the hon. gentleman prepared to discuss with the new foreign owners of what was once a Canadian company the possibility of maintaining the work force and not providing for the dismissal of 600 workers at this time?

Mr. Starr: I am always willing to have discussions at any time with anyone interested in the employment of Canadians.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to address a related question to the Minister of Finance, and ask him whether the acquisition of this historic farm implement company by a foreign corporation and the subsequent unemployment can be attributed to his policy of depreciating the Canadian dollar.

Mr. Speaker: Order. The question, as I heard it, appears to be an attempt to express a point of view rather than a search for information.

REPORTED REFUSAL TO TAKE TECHNICAL TRAINING COURSES

On the orders of the day:

Mr. John R. Matheson (Leeds): I should like to direct a question to the Minister of Labour. Does the minister agree with the statement of the government leader in the other place as reported in today's *Globe and Mail*—

Some hon. Members: Order.

Mr. Matheson: —that unemployed Canadians are refusing to take technical training courses—

Mr. Speaker: Order. I think the hon. member is asking for an opinion. If he has a question of fact to bring to the attention of the Minister of Labour, it would be in order to do so.

Mr. Matheson: May I ask the Minister of Labour whether it is true that unemployed Canadians are refusing to take technical training courses that would enable them to find jobs?

Hon. Michael Starr (Minister of Labour): This has not been brought to my attention. I am not aware of that situation.

CANADIAN BROADCASTING CORPORATION

"PARADE"—ALLEGED CENSORSHIP OF PROGRAM

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Minister of National Revenue. I am sure we are all very pleased to see him in his place and looking so well.

In view of the charges made by the Toronto night club comedienne Jean Templeton—no relation to Charles Templeton—that the C.B.C. ordered deletion of satirical references to the Prime Minister written by her for the television variety program "Parade", would the minister investigate these charges to make certain that political influence is not being exercised to censor humorous or satirical references related to the policy, platitudes or physique of the Prime Minister in violation of our tradition?

Hon. George C. Nowlan (Minister of National Revenue): I cannot help wishing that the question asked had been more in keeping with the kindly words spoken by the hon. member at the beginning. I do not have to make any inquiries as to whether political influence was used in connection with this matter because neither this government, nor any member of it, either now or in the future, would use political influence over the C.B.C. I have heard suggestions of political influence, but emanating from within toward this government, rather than in the other direction.

If the hon. gentleman had read the article this morning on which he purports to base his question he would have noticed that the monologue was directed not only to the Prime Minister of Canada but to the President of the United States, to members of the royal family, to Mr. Khrushchev and many other distinguished people, and that the producer of the C.B.C. program said these references were deleted because they were in poor taste. Having received complaints at various times in the past from the hon. member for Kootenay West as well as from other hon. members with respect to poor taste alleged to have been exhibited by the C.B.C., I am sure that these references must have been in very poor taste indeed or they would not have been deleted.

MONTREAL—NEGOTIATIONS RESPECTING CONSTRUCTION OF BUILDING

On the orders of the day:

Mr. Gerard Loiselle (St. Ann): I wish to address a question to the Minister of Public Works. Is the minister aware of a statement by the mayor of Montreal to the effect that the city expects to receive a favourable decision before February 12 concerning the C.B.C. project to be built in the east end of Montreal? Has the minister any comment to make on Mayor Drapeau's statement?

Hon. D. J. Walker (Minister of Public Works): No.

"THE LIMELIGHTERS"—STATEMENT ON WITHDRAWAL OF PROGRAM

On the orders of the day:

Hon. George C. Nowlan (Minister of National Revenue): I should have mentioned, while I was on my feet, that yesterday the hon. member for Ottawa West asked me a question with respect to the program called "The Limelighters". At that time I did not know precisely to what the question referred, but in reading the papers this morning I noticed there is some connection between "The Limelighters" and the monologue proposed for broadcasting by Miss Templeton. Perhaps the answer which I gave to the hon. member for Kootenay West could be taken as applying to the question asked yesterday.

PROTESTS AGAINST PROGRAM ON LIFE OF MR. DUPLESSIS

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): I should like to address a question to the Minister of National Revenue. Would the minister inquire whether the C.B.C. has received a telegram from Quebec legislative councillor Mr. Gerald Martineau protesting two television programs on the life of Mr. Duplessis. Further, could the hon. gentleman say whether this matter is being investigated?

Hon. George C. Nowlan (Minister of National Revenue): I can say without inquiry that the C.B.C. has received protests with respect to parts of the programs dealing with the life of the late Hon. Mr. Duplessis. The corporation has also received protests against the portrayal of the life of a former Liberal premier of the province of Ontario.

COMBINES

CANADA PACKERS—INQUIRY AS TO COURT ORDER

On the orders of the day:

Mr. Frank Howard (Skeena): I should like, if I may, to direct a question to the Minister of Justice and ask him what action has been taken with respect to the recommendation of the restrictive trade practices commission to the effect that a court order either for the dissolution of the merger or for preventive action should be sought in relation to the acquisition of Calgary Packers Limited and Wilsil Limited by Canada Packers?

Hon. E. D. Fulton (Minister of Justice): My recollection is that this matter has been referred to counsel, but with precisely what instructions I do not recall. I shall have to look that up and give a more complete answer tomorrow.

SPORTS

OLYMPIC GAMES—REQUEST FOR SUPPORT OF CENTENNIAL COMMITTEE

On the orders of the day:

Mr. Arthur Smith (Calgary South): I wish to direct a question to the Minister of Transport in his capacity as joint chairman of Canada's centennial committee. I should like to ask him whether this committee would consider including in its plans, which I presume are currently under way, support and co-operation for the various agencies attempting to bring the 1968 Olympic games to the Banff-Lake Louise area of Canada.

Hon. Leon Balcer (Minister of Transport): I am confident that the centennial committee would welcome any opportunity to co-operate with any group or association in order to promote this undertaking, which should prove a great boost for Canada's international prestige.

BUSINESS OF THE HOUSE

UNEMPLOYMENT INSURANCE FUND—INQUIRY AS TO ACTION THIS SESSION

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Minister of Labour whether the government proposes to introduce legislation to deal with the rapidly decreasing unemployment insurance fund before the dissolution of parliament or before the end of the present fiscal year?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I believe the Minister of Finance could best deal with this question, but I may say there will be an item in the further supplementary estimates later this year.

Mr. Martin (Essex East): I would be happier to have the reply of the Minister of Labour, but since the minister prefers to pass the responsibility to the Minister of Finance, may I ask the Minister of Finance whether he is prepared to reply to the question?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the question has already been replied to, and I am sorry if the hon. member did not hear the reply.

FINANCE

INQUIRY AS TO PROTEST AGAINST DIVIDEND TAX

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to direct a question to the Minister of Finance. On February 7, 1961, as

reported at page 1796 of *Hansard* of that date, I asked the minister the following question:

Has the minister received a protest against the 15 per cent dividend tax from the director of the $100 million Anaconda development in northwestern Ontario, on which they have already spent $5 million? If so, have they indicated that they will suspend operations on the property, thereby displacing 100 men employed on the project?

The minister replied as follows—

Some hon. Members: Order.

Mr. Speaker: Order. This is undoubtedly very interesting but it is a matter of record in *Hansard*. Has the hon. member a current question to ask?

Mr. Badanai: Has the minister received indications lately that the company, which employs 100 men, is closing its operations due to the 15 per cent dividend tax? Has the minister received communications or representations in that regard?

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

UNITED NATIONS

GHANA—REQUEST FOR TEAM OF CANADIAN ARMY OFFICERS

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Secretary of State for External Affairs. Has the Canadian government received any request from the government of Ghana to supply officers or military officials for the training of the Ghanaian army?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, I believe that same question or a similar one was asked some days ago, and the hon. member will find the answer in *Hansard*.

Mr. Hellyer: A supplementary question. My question is based on a late report from England which indicated that there had been a further request. Would the minister say if there has been any additional request?

Mr. Green: There has been no change in that situation since the answer which was given the other day.

CANADIAN PARTICIPATION IN BOND ISSUE

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Secretary of State for External Affairs whether he is in a position to state the attitude of the government of Canada toward participating in the United Nations bond issue designed to deal with the financial situation confronting that organization, along the lines of the recommendation being made by the President of the United States for the purchase of $100 million of these bonds.

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, the Canadian government was the first to announce participation in that bond issue. This was some weeks ago, and I am amazed that the hon. member did not hear about it. I did notice one report in the magazine *U.S. News and World Report* which I am very glad to have the opportunity to correct today. This report said that Canada owed the United Nations the amount which is to be subscribed to this bond issue. That is completely wrong, of course. The facts are just the opposite.

Mr. Martin (Essex East): Mr. Speaker, I thank the minister for this information, and I regret that I did not know the government had made up its mind. I can only say that the government propaganda machine apparently was not functioning.

Some hon. Members: Order.

Mr. Martin (Essex East): Could the genial minister, who seemed to be a little cross at my question, tell me what amount we are taking up?

Mr. Green: Canada is subscribing for her share of the bond issue. It is about $6¼ million.

(Translation):

BRIDGES

CHAMPLAIN BRIDGE, MONTREAL—INQUIRY AS TO TOLL CHARGES

On the orders of the day:

Mr. H. Pit Lessard (St. Henry): Mr. Speaker, I should like to put a question to the Minister of Transport.

Until a definite date is set for the opening of Champlain bridge, can the minister assure the house that it will not be a toll bridge.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, with regard to tolls on the bridges between the island of Montreal and the south shore of the St. Lawrence, I made a statement at the beginning of the session to the effect that we were asking the province and the city of Montreal to discuss with us a plan designed to remove the tolls on Jacques Cartier and Victoria bridges.

As far as Champlain bridge is concerned, nothing has been changed in the previous plans of the Department of Transport.

Mr. Azellus Denis (St. Denis): I should like to ask a supplementary question, Mr. Speaker. Could the minister tell the house whether he has written to the provincial and

municipal authorities in connection with an agreement for the abolition of tolls on the Jacques Cartier bridge and whether he has communicated with the authorities of the C.N.R. with respect to the Victoria bridge?

Mr. Balcer: Yes, Mr. Speaker.

(Text):

NATIONAL PARKS

TERRA NOVA—SUGGESTED LOCATION FOR SHIP "BOUNTY"

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder whether I might ask the Minister of Northern Affairs and National Resources if the Metro-Goldwyn-Meyer Corporation—

An hon. Member: Mayer.

Mr. Pickersgill: Well, I am not very familiar with those things.

Mr. Hees: You do not get to the movies much.

Mr. Pickersgill: —has offered—

Mr. Speaker: Order. Hon. members cannot expect the question to be dealt with if they all endeavour to answer the question before it is asked.

Mr. Pickersgill: —that fine ship the *Bounty* to the Canadian government and, if so, whether the minister would consider having the ship come to rest in one of the harbours in Terra Nova national park in the province where so many of the finest Nova Scotia ships have found their last home.

Hon. W. G. Dinsdale (Minister of Northern Affairs and National Resources): Mr. Speaker, there were several implications in the question that was asked by the hon. member. My reply to the first is that there has been an approach made to the government of Canada by the Metro-Goldwyn-Mayer Corporation. This approach has been made through the Department of National Defence, I believe. As to the second part of the question, whether the Department of Northern Affairs and National Resources would give consideration to making the *Bounty* an integral part of Terra Nova national park, and the hon. member's reference to the ships that lie in the bays there, I shall take that matter under active consideration.

Mr. Pickersgill: I thank the minister very much for his answer.

SUPPLY

The house in committee of supply, Mr. Martineau in the chair.

DEPARTMENT OF LABOUR

613. Special services branch including the promotion of a program for combating seasonal unemployment, the organization and use of workers for farming and related industries and assistance to the provinces under agreements entered into with the provinces by the Minister of Labour with the approval of the governor in council—further amount required, $90,000.

Mr. Starr: Mr. Chairman, this item in the further supplementary estimates for $90,000 is an amount required in connection with our do it now campaign. There has not been a complete statement on the functions of this campaign and the goal that we have in mind, or the participation that is involved in this campaign along with the promotional work undertaken by the federal government. Today I will try to give the members of the committee as full and complete a report on this item as is available.

This money is to provide for additional publicity material in the way of posters, pamphlets and advertising to support the efforts of and fulfil requests from our winter employment committees in towns and cities from coast to coast. This national campaign is designed to encourage individuals, businesses, industries and householders to carry out as much work as possible during the cold months. This program has reached a degree of effectiveness in the last couple of years which has resulted in positive effects on business activity in a wide variety of areas each year, and particularly each winter.

While there is still much to be done, the construction and supply industries have proven beyond any doubt, Mr. Chairman, that construction of all types can be a year round activity. The Canadian Construction Association reported in a bulletin dated November 30, 1961, as follows:

> During the past eight years, increased efforts have been made by government at all levels, by individuals, by communities and by national organizations to stimulate winter employment. These have met with a substantial measure of success. As a matter of fact, the volume of wintertime construction and employment has increased so that now more Canadians are employed in construction operations in mid-winter than were employed during the so-called building season a dozen years ago.

This is the end of the quotation that appeared in this bulletin issued by the Canadian Construction Association on November 30 last. In further support of this statement I should like to quote from the September, 1961 issue of the *National Builder*, a magazine which is closely associated with the National House Builders Association. I quote:

> The swing to year round operation in building has made faster headway among the general contractors, but now it seems that home builders are catching up fast, encouraged by the easy availability of mortgage loans, the increasing

number of pre-sold houses, and the advantages of getting their latest designs on the market for the growing spring market.

Recently the editor of this magazine sent us the following message relating this trend to our do it now campaign. His message read thus:

You will be interested to know the do it now winter work campaign is converting the building industry across Canada to a stabilized year round operation from former spring to fall activities. Winter home building particularly now goes ahead in volume for a newly created winter-spring sales market.

That is the end of his remarks. Another authoritative magazine, the *Building Supply Dealer*—I might say at this time, Mr. Chairman, this magazine has vigorously supported the do it now campaign and its principle over the past several years—reports an increasing winter business amongst lumber dealers during each of the past few winters. In the December issue of *Lumber Merchandising*, another trade paper which serves the construction industry, the editor stated as follows, referring to the do it now campaign:

The idea of having work done in the winter months has been promoted consistently for the past few years and every year the accumulated effort helps produce more results for the current season.

Now, Mr. Chairman, during the past winter, from November to March, government sponsored N.H.A. home improvement loans increased over the previous year by 63 per cent and in total dollar value by 115 per cent, reaching almost $16 million. Government backed farm improvement loans increased by 51 per cent and the dollar value by 53 per cent, reaching a total of some $3.5 million.

Mr. Martin (Essex East): Will my hon. friend permit me to make an observation? In view of the related nature of the item now before us and the more important one of $40 million, may we not consider both these items at the same time? The minister is now making a speech that would apply in part at any rate to both these items, and so for convenience of discussion, we would all be in order if we might consider both items together if this is agreeable.

The Chairman: The unanimous consent of the committee would be required, of course.

Mr. Martin (Essex East): Yes.

The Chairman: Does the committee give unanimous consent to items 613 and 614 being considered at the same time?

Mr. Starr: Provided, Mr. Chairman, that the committee would agree that both items would be passed simultaneously.

[Mr. Starr.]

The Chairman: When the discussion has been exhausted, both items will carry.

Some hon. Members: Agreed.

Mr. Starr: Thank you very much, Mr. Chairman. This means that during the winter months almost $19 million more was spent than in the winter previous on home and farm improvements. We hope for similar results this year. One large lending agency specializing in the building supply field reported an increase of 400 per cent in last winter's business over the previous winter, and attributed it largely to the effects of the do it now winter works campaign. They have just reported that during this past December their home improvement loan business equalled their entire winter business of last year, indicating, I submit, a marked increase this year over last year.

Further support of marked increases in winter construction activity is found in reports from 1600 lumber dealers, painting and decorating contractors and plumbers who tied their business promotions in with the do it now campaign we sponsored. The building supply dealers reported an average increase in their sales last winter of 19 per cent as a result of their participation in this campaign. Painting and decorating contractors reported a 21 per cent increase in their business, while plumbing and heating contractors had a 10 per cent increase.

In view of the heavy publicity campaign and advertising being carried out through all media at the present time, I should like to point out that more than 90 per cent of all we see and hear promoting the do it now principle is either contributed as a public service or paid for by business and industry, and this is all done as a result of the promotion that has been carried out in regard to the winter works do it now campaign. We estimate that we receive at least $10 public service support for every dollar we spend on behalf of the do it now campaign, and public support will again exceed $3 million this winter.

I take this opportunity of paying tribute to the hundreds of public spirited business enterprises, as well as to the newspapers, magazines, radio stations, television stations, public spirited companies and others that are so generous in supporting this national campaign. In addition to the paid public service support, it is very encouraging to me, and I am sure to all of us, to note that the direct advertising, whether in news or services by business and industry, has been increasing each winter, resulting in a reversal of old habits and customs of waiting for spring. On the radio last winter there were 37,000 spot

announcements, either sponsored or contributed as a public service by 220 radio stations, as well as 400 hours of program time discussing the do it now campaign. Television stations carried almost 80,000 spot announcements, either contributed by themselves, their advertisers or the C.B.C.

Advertising tied in with the do it now theme in newspapers has produced a total sum of 1,500 pages, and in addition newspapers carried more than 4,200 news stories. The poster advertising association of Canada and its member companies contributed 2,000 billboards as a public service across Canada, and thousands of merchants placed our poster material in their shop windows.

Excellent leadership has been provided at the local level by the national employment service and by some 195 winter employment campaign committees in all parts of Canada. The local campaigns which they developed have enlisted the full support of municipal governments, boards of trade, labour unions, women's groups, service clubs, banks, contractors, retail merchants, public utilities, churches and a variety of community groups. I also want to place on record my sincere appreciation of the efforts and support forthcoming from hundreds of private citizens who have helped to organize effective local campaigns in co-operation with the local employment offices.

Doing our best to practice what we preach, all departments within the federal government which are in a position to contribute to winter employment are doing so on an increasing scale. The departments which carry out construction and maintenance projects have set a good example in planning their operations so that a maximum amount of work will be carried out during the winter months.

The value of repair, alteration and maintenance work scheduled for the winter has averaged more than $10 million for the past four years, and will exceed this figure during the present winter. Procurement has also been specifically initiated or rescheduled in order to provide maximum winter work. The provincial governments have also taken effective steps to increase their construction, maintenance and procurement activities during the winter months.

There is not much else I can add to my statement on this particular item, and since the committee has agreed that we should consider both items at the same time I shall now give some idea of what is entailed in the next item of $40 million, known to all of us as the municipal winter works incentive program.

As in previous winters, these payments cover one half the payroll costs on accepted projects from October 15, 1961 to a date to be determined by order in council. This is exactly the same as it was last year. In previous years the closing date was set at April 30 in the first supplemental vote, and this date was extended to May 31 in subsequent supplemental votes. Last year the vote was changed to provide for flexibility, if required at April 30 or close to that date.

The program was first introduced in 1958 as a part of the government's over-all action to create additional winter employment and, through performance, has proven most successful. It is now in its fourth winter and has provided an increased number of jobs each year. These have been mainly in the construction industry, where traditionally in Canada unemployment during the winter months has been high.

During the first winter, 1958-59, the number of men hired for on-site work was estimated at 41,500. That was when the opposition described the program as "peanuts" and "a bagatelle". During the second winter, 1959-60, the number of men hired was 51,600, and this was again described by the opposition in the same terms.

Mr. Martin (Essex East): In relation to the total problem.

Mr. Starr: Last winter the number was 121,000 and already this winter the figure has reached 111,200. I might point out, as I have done in the past, that at least as many more persons have received employment or guarantees of employment each winter on off-site work, in the supply of materials used in the various projects.

The program was introduced as something of an experiment in 1958 to help stimulate work during the winter months, and the results achieved prove that it is a most useful method of attacking seasonal unemployment. Proof of that statement is the fact that the Canadian Federation of Mayors and Municipalities, among others, supported the program from the outset as being a desirable means of providing additional winter employment and, at the same time, enabling municipalities to undertake much needed public services.

However, there were some who felt the program had little chance of success and that it would not appeal to the local governments. Now, to refute that, the increased number of municipalities that have taken advantage of the program each winter clearly indicates that it does appeal to municipalities; and the amount of work undertaken, together with the number of jobs created, are evidence that the program is effectively fulfilling its purpose.

During the first two winters, as an example, the program applied to certain specified categories of projects such as the construction and major improvement of roads, streets and sidewalks, the construction and major improvement of water, sewage and drainage facilities and the construction and development of municipal parks and playgrounds. These categories were then extended under last winter's program to include construction, major reconstruction or renovation of municipal buildings. The program for the current winter has again been broadened to cover any capital undertaking of a municipality, with only a few exceptions. The major exceptions are work on schools and hospitals. The reason for this is that the federal government participates in these fields and grants assistance under other measures.

The present program covers all the categories of projects which qualified in previous years, as well as many additional classes of projects. This year's program has been further broadened to include projects carried out in unorganized settlements, provided the work is sponsored by a community organization and carried out under acceptable community and provincial supervision. The current program also provides for participation by Indian bands, as was the case last winter and the winter before.

Up to the present time this year we have received 6,121 applications under this program, of which 6,048 have been accepted. Of the remainder, some have been rejected and some are pending decision.

Mr. Martin (Essex East): How many have been accepted?

Mr. Starr: The number accepted is 6,048.

Mr. Martin (Essex East): And 6,121 have come in?

Mr. Starr: Yes. Some are pending decision. The estimated total cost of those applications which have been accepted to date is $257½ million. Of this amount it is estimated that $200 million will be expended during the period of the program, which commenced on October 15, 1961. The estimated total payroll costs of the projects which have been accepted during the period of the program is $66 million and the estimated federal government share is, of course, $33 million, 50 per cent of the payroll costs.

It is estimated that these undertakings which have been approved to date will provide employment for 111,200 men, for a total of 4,743,000 man days of work. Last winter's program did not reach these proportions until mid-April.

A total of 647 municipalities participated in the program during the winter of 1958-59. That was the first winter in which this program was put into effect. The following year, during the winter of 1959-60 a total of 869 municipalities and Indian bands undertook projects under the program. Therefore there was an increase of over 200 municipalities participating during the second winter of the program.

With the broadening of the program last winter a total of 2,163 municipalities and Indian bands participated. That was three times as many as the winter before. Under this winter's program a total of 2,286 municipalities, Indian bands and unorganized settlements have submitted projects to date. This is an increase over last year of 120 municipalities so far this winter which are participating.

Some provinces, in co-operating with us in order to help in this situation, are granting additional assistance to the municipalities by making a financial contribution toward the payroll costs of projects approved under the program.

Mr. Martin (Essex East): Six provinces?

Mr. Starr: I was just coming to that.

Mr. Martin (Essex East): I just ask the question.

Mr. Starr: How many, did you say?

Mr. Martin (Essex East): Six, is it not?

Mr. Starr: It is seven. I should like to list the provinces which are participating in this form of contribution and give their contributions. Prince Edward Island contributes 25 per cent; Quebec contributes 40 per cent; Ontario contributes 25 per cent; Manitoba contributes 25 per cent in respect of persons who are not entitled to unemployment insurance benefits, and 50 per cent in respect of persons who have been in receipt of social welfare assistance for a specified period. Saskatchewan contributes 25 per cent; Alberta contributes 25 per cent; British Columbia contributes 25 per cent plus an additional 25 per cent in respect of persons who have been in receipt of social welfare assistance for a specified period.

Under the laws of New Brunswick and Nova Scotia these provinces carried out work in rural municipalities that is of a nature normally considered to be a municipal function. Projects of this nature are acceptable under the municipal winter works incentive program, and in these instances the provinces contribute 50 per cent of the payroll costs of approved projects and bear the costs of materials and services.

I indicated earlier that in addition to creating jobs the municipal winter works incentive program has been of benefit to municipalities

in enabling them to provide much needed public services. In this connection I should like to point out that the program since its inception has contributed to the construction and major improvement of roads, streets and sidewalks having a total value of $167 million; to the construction and improvement of water, sewage and drainage facilities totalling $481 million and parks and playground facilities worth $36 million, while $78 million has been spent on the construction, major reconstruction or renovation of municipal buildings. This represents in all a total of more than $762 million in municipal works since the program began. This is a truly worthwhile program, Mr. Chairman.

Applications covering projects under the program are being received daily. There is an almost hourly change in the program. In my opinion there is no doubt at all that the number of municipalities participating and the volume of work provided this winter will be considerably larger than under last winter's program. We are endeavouring, with success, to interest more and more municipalities to participate in this program. Once they have entered it they want more of it. They are continually participating and being joined by other municipalities. In view of the excellence of this program I am sure the committee will find no difficulty in passing these estimates.

Mr. Martin (Essex East): In the light of the fact that as of the last reported period there were 413,000 Canadians out of work, and bearing in mind that this was in the month of December, a period when the seasonal rise normally begins to take on a more acute form in our pattern of unemployment, not too much satisfaction can be derived from the statement made by the minister.

The hon. gentleman says that the do it now campaign for which he is asking a vote of $90,000 is carried out largely by business promotion and promotions generally under the auspices of non-government bodies. Likewise, one has to draw the conclusion from the circumstances surrounding federal participation in the winter works program that the bulk of this program is not carried on by the federal government but by the municipalities and the provinces. Notwithstanding this, the government gives the impression that through this program, of which it seeks to claim authorship, it is embarking on a vigorous measure to correct unemployment.

The fact is that this program, as it is, is not good enough. The fact is that this program neither at the present time nor since it came into being has dealt with the problem of unemployment which faces us in this country. There were 413,000 people out of work in the month of December. We do not know what the figure is as of this date, January 31, 1962. Normally we would have received that figure some time around the 20th of the month, and perhaps before this debate is over the minister might explain why we have not received it as yet. In any event, this program cannot be regarded as satisfying the needs of Canada with regard to unemployment at this time.

Mr. Starr: Would the hon. member permit a question? Is he asking about the bureau of statistics figures on employment and unemployment for December?

Mr. Martin (Essex East): No; for the last reported period. We should have had them on January 20.

Mr. Starr: On January 20 the hon. member received them for December, and he will not receive the January figures until the middle of February.

Mr. Martin (Essex East): I know, but the minister could easily have given us an interim report.

An hon. Member: Give your own figures.

Mr. Martin (Essex East): I am asked to give my own. Well, I will tell the committee this, and it is something everyone in this country knows. The problem of unemployment in Canada continues to be the major domestic problem facing us, and this government cannot, by a program of this kind, satisfy the Canadian people that it is resolutely and adequately confronting the problem. We welcome any measure taken to mitigate these fluctuations of employment, particularly those due to seasonal causes; but we are acutely aware, as I am sure the country is aware, that solutions of the type now being put forward do not go to the root of the unemployment problem.

It is, of course, characteristic of seasonal unemployment that it is most likely to occur in those very regions which suffer most from chronic unemployment. I have in mind, for example, the Atlantic provinces where unemployment since 1957 has been running at nearly twice the level of unemployment in the country as a whole. The seasonal swing in those provinces is twice as large as it is in Canada as a whole.

This government has not met the problem of unemployment. It certainly is not confronting the question as the President of the United States is. When one examines President Kennedy's state of the union message and the statement he made one week later, and compares the comprehensive measures envisaged by the government of the United States with the haphazard, laissez faire manner in which this government is meeting the problem, even a few months, or a short time

before a general election, one will not find it difficult to justify the condemnation which again we level at this government at this time for the way it is handling the problem of unemployment. There can be no doubt that the government has not yet given us any evidence of a program designed to carefully, thoroughly and effectively meet this problem. We say this program is satisfactory as far as it goes.

Mr. Pallett: Mr. Chairman, would the hon. member permit a question? The hon. gentleman referred to the proposals advanced by the President of the United States. Would the hon. member indicate any suggestions made by President Kennedy that were not already introduced by this government some time ago?

Mr. Martin (Essex East): I shall certainly do so before I complete my remarks, Mr. Chairman. The Prime Minister and other hon. gentlemen opposite make continued reference to the fact that the government of the United States is following the government of Canada in its handling of this problem. The Prime Minister, however, is unable to back up that rhetorical observation. The fact is that the government of the United States has confronted this problem vigorously and has given an example to this government. This government's big answer to those who suggest that the problem has not been adequately met is to refer to the winter works program.

Mr. Starr: They are just going to consider this program in the United States.

Mr. Martin (Essex East): The Minister of Labour says that this program has to date provided employment for 111,000 people representing approximately 4 million man days of work. What does that mean? Let us find out from the minister what that statement really means when shorn of its verbiage and extravagance. How many men out of the 413,000 unemployed, according to recent figures—disregarding what the figure is as of this date—have been put to work for more than one week? How many men have been given work lasting throughout the period of the winter season? It is all very well to say that a certain number of men were put to work—

Mr. Starr: I am able to answer that question now if the hon. member wishes.

Mr. Martin (Essex East): The minister may speak when I have finished.

Mr. Starr: The hon. gentleman asked a question and I am prepared to answer. If the hon. member will divide 111,000 persons into 4,700,000 days of work he will find it averages out to 45 days per man.

[Mr. Martin (Essex East).]

Mr. Martin (Essex East): There we have the answer, Mr. Chairman; 45 days per man. This government says it has solved this problem by providing 45 man days of employment to 111,000 people.

Mr. Starr: Nine weeks' work.

Mr. Martin (Essex East): Do we require a better illustration of the inadequacy of this program than the reply just given by the Minister of Labour? Last year almost 12 per cent of our work force was unemployed—715,000 people—and less than 200,000 people were put to work for limited periods only under this program; yet the government says that the winter works program must be regarded as having satisfactorily solved the problem.

Let us examine the real facts. Last year the minister said the program cost $200 million. He said the payroll cost was $66 million and that the federal government had agreed to pay $33 million, half the payroll cost. The total federal contribution under a program costing $200 million was the figure mentioned by the minister, half the labour cost or $33 million.

As good as this winter works program is, so far as it goes, it does not really represent on the part of the government a vigorous confrontation of this problem. To the extent that the program is effective the credit should not go to the Minister of Labour or to this government but to the combined endeavours of the provinces and municipalities.

When we last discussed this matter the Minister of Labour said the average labour content of all municipal works was 34.5 per cent, and since the federal government paid only 50 per cent of the direct labour cost the federal share of the cost of such projects last year amounted to only 17 per cent. The conclusion to be drawn, as I have said, is that the municipalities involved bear the major brunt of the expenses incurred under the program.

The minister just reminded us that seven provinces were paying an additional 25 per cent of the payroll costs; that Quebec was paying 40 per cent, and that Manitoba had increased its contribution to 50 per cent with respect to employment provided for persons who had been on social assistance for a continuous period of 90 days. The minister did not, however, announce any substantial improvement in the contribution of the federal government to the operation of the winter works program.

I have already indicated that seasonal swings in unemployment have their greatest impact in distressed areas such as the maritime provinces. Because of this, the distressed

communities are the ones least capable of covering the two thirds of the total cost which must be met by the municipalities. That is why we in the Liberal party suggested the establishment of a municipal loan fund which would greatly aid the affected communities in contributing their share of the cost of the projects.

The fact is that more men and women could be put to work under this program if the government either bore a greater share of the burden of the cost of the program or was willing to establish a municipal loan fund which would enable the municipalities to obtain the necessary revenues to carry out certain projects which they are not carrying out under this program now, because of the terms of financing as among the three levels of government, and because, in so many instances the municipalities cannot possibly bear the burden involved.

Lest there be any doubt of this let me make reference to the figures I have before me. I have in my hand figures relating to the winter works program in Toronto, the largest city in Ontario. I find that in the year 1960-61 the city's share of the cost of that program was 61.3 per cent. I ask hon. members to reflect on this. The city of Toronto has had to meet the problem of unemployment to the extent of 61.3 per cent in respect of a program the responsibility of which is shared three ways but mostly, in this case, by the city of Toronto, second by the province of Ontario, and to a much lesser extent by the federal government.

The federal government wishes to accept all the credit for this program. By its advertising and by the implications of the do it now campaign the impression is given that this government which said it was going to see that no one suffered from unemployment is solely responsible for whatever is being accomplished under this wholly inadequate program, one that is not sufficiently vigorous to meet the problem as it should be met.

Mr. Creaghan: Mr. Chairman, would the hon. member permit a question at this point? Would the hon. gentleman refer to his notes and put on record the extent to which the 61 per cent, the city's share, of the cost of that program is represented by building materials and the extent to which the 61 per cent represents direct payroll costs?

Mr. Martin (Essex East): I do not have those figures.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): If my hon. friend has them I have no doubt that they reveal that this represents a very considerable purchase. But I am not thinking of the assistance given to those who sell such materials. I am thinking of whether or not this program as a whole is designed to provide employment to a greater number of men and women than have been put to work or affected by it to date.

That is the problem to which the mayors of Canada address themselves every time they consider this question in relation to the winter works program. The mayors of Canada met the government on November 10 last. While they were grateful for the combined consequences of this program through the three levels of government, they certainly were not satisfied with what had been achieved to date.

In their brief they point out that one of the major obstacles to fuller municipal participation is lack of any provision for financial assistance toward the cost of materials. This is an old demand of the municipalities, repeated again. They say another obstacle is the very real difficulty some municipalities have in obtaining the money needed for capital undertakings, and at reasonable interest rates. That confirms the desirability of the concept and program of the municipal loan fund which the Liberal party has recently put forward. They point out that still another difficulty is that it is not practicable for municipalities, although they are willing to reschedule their work requirements as much as possible to the winter season, to make a sharp division between seasons.

They make certain other proposals which the government to date has given no indication of considering. They propose that federal loans be provided to municipalities for capital work projects at a favourable rate of interest, extending the practice now followed in the financing of sewage facilities. Second, they propose that federal contributions to municipal works be extended throughout the year with the federal government contributing a proportionately greater share of the cost of material involved in such work undertaken during the winter months of the year. If this is not feasible, they urge that the time be extended to permit completion of projects already commenced during the winter season.

Their third proposal is that municipal works for which federal aid is available under other forms of assistance be considered as allowable projects for federally assisted municipal winter works program. I presume that railway grade crossings would be an example under that proposal. The next proposal is that measures be taken to assure prompt interim payment of the federal government's share and early final settlement of all federally assisted municipal programs.

It is clear that there should be an extension of the types of projects now coming under

the winter works program. I am sure that the proposals to which I have just referred are not the only suggestions that should be considered. In order that the winter works incentive program may have its major impact upon the communities that need it most, I suggest that federal participation should be on a sliding scale depending on the amount of unemployment in a particular area. At present the program is not having a major impact on the communities that need it most. If my suggestion is not adopted the situation will continue under which the communities that are not in dire need of this type of assistance will postpone work which would normally be done in the summertime, as they are now doing, in order to take advantage of the government's partial coverage of the labour costs incurred during the winter. As a consequence, certain areas with less than the national average of unemployment are receiving a proportionately greater share of the additional employment created by the program.

I ask the Minister of Labour if it is not a fact that some of the areas where unemployment levels are highest are the areas that are least able to take advantage of the assistance under this program. The names of some of the cities in this category were put on *Hansard* last year and they could be repeated. Right in Ontario areas like Cornwall, Windsor, Oshawa, Peterborough—

Mr. Pitman: We are not a distressed area now.

Mr. Martin (Essex East): I am not talking of distressed areas. I am talking about areas where there is unemployment and there is great unemployment in Peterborough. These communities do not have as many projects as other communities in Canada where the problem is less severe. If the government was really on its toes, if it really had an unemployment program it would be one that would be addressed particularly to those areas where unemployment is heaviest.

But all that the government does is to go through a demonstration of apparent activity without rationalizing its program or making it applicable in those areas where it would do the most effective job. Why does the government not expand this program if it really wants to bite into the problem of unemployment? Why should it not pay for a portion of the materials used? That, it has been demonstrated by the mayors, would be one way to reach many more unemployed in this country. Why does it not act upon the suggestion that the federal government should pay a substantial portion of the supervision costs? This would assist two municipalities in Ontario that I know of in taking greater advantage of this program.

Why does the federal government not give some consideration to the reduction or elimination of the sales tax on building materials used on projects designed to give work during the winter period? If it really wants to meet this problem of unemployment, why does it not act on the proposal that this might be done as it is being done in the United States, by tax incentives such as increased depreciation allowances based on wintertime construction payrolls applied to industrial and commercial projects?

The minister spoke a while ago of the approval given to this program by the Canadian Construction Association. This association has recommended some of these very things but the minister gives the impression that these organizations that have spoken of the positive aspects of the program are completely satisfied, when such is not the case. Why should the federal government not bear a more substantial share of the cost of construction machinery used on a project such as bulldozers, trench diggers for sewers and the like? If the government really wants to make its contribution more effective, if it really wants to justify the designation which its propaganda machine has sought to achieve for this federal program, why does it not embark upon some of these proposals?

This matter continues to be a serious one in our country, Mr. Chairman. We would have thought that the government in this session prior to an election would have displayed toward this question the fever, agitation and concern that it has in certain other aspects of government activity represented by the program that it has announced in the speech from the throne. This government will be held to account when the next federal election comes, just as it has been held to account in this house for not having embarked upon policies in keeping with its assurance that no one would suffer in this country for want of work. The government has failed to live up to this promise notwithstanding the statement of the Prime Minister that practically all of his promises have been fulfilled. This is one promise that has not been met and no amount of adulation of the government's anaemic program is going to change this picture when, as of the month of December last, 413,000 people were out of work, more proportionately than in any other country in the western world. I ask the minister to tell me what the unemployment figures are in Great Britain, what they are in Germany, what they are in Switzerland, what they are in Belgium—

An hon. Member: Japan?

Mr. Martin (Essex East): —what they are in the Scandinavian countries.

Mr. Nowlan: What are they in the United States?

Mr. Martin (Essex East): What are they in the United States? I say that in the United States the problem is severe but it is not as bad as it is here.

Mr. Nowlan: That is not so. Look at the record.

Mr. Martin (Essex East): One reason why the situation is not as bad there is that they have in charge of their affairs an imaginative head of government who is trying to fulfil the promises he made to the electorate of that country. This has not happened here.

Mr. Nowlan: Are you speaking of the speech the president made the other day or of legislation which has been enacted by congress? My hon. friend knows there is a great difference.

Mr. Martin (Essex East): I am speaking of the leadership given in the United States with regard to this problem by the President since he became the President of the United States. I am referring to the state of the union message last year and this year and the way congress has acted upon his recommendations, their program of accelerated depreciation, their examination of the problem in distressed areas and so on. No legislative body in the United States has been refused the opportunity to examine into the unemployment situation. When I think of the fact that during the last four and a half years the present government has denied the House of Commons the right to examine the problem of unemployment in a committee, I say that in the face of that fact alone the government has demonstrated that it has not confronted the problem of unemployment in the manner in which it assured the Canadian people it would.

Mr. Nowlan: May I ask the hon. member a question? What is the proportion of unemployment in the United States?

Mr. Martin (Essex East): The other place examined this problem. Members of the other place made a valuable study, a study that should have been made by the Department of Labour, a study that might well have been made by this house where the elected representatives of the people could have called before the committee all kinds of witnesses to ascertain the nature of the problem. In the town of Moncton, for instance, there is a great deal of unemployment. We should have had a parliamentary committee and should have been able to call the heads of the railroads before that committee to find out why their program in that particular community did not allow for the continuation for a particular level of unemployment. It would have been valuable to find out why and offer a solution.

We should have had a parliamentary committee so that we could have called representatives of the automobile industry before it and have found out why unemployment was taking place at particular levels, what was the percentage of automation and what the possibility was of rectifying the problem. We could have gone into the same matter with regard to the town of Peterborough. We could have examined why in the city of Cornwall last year 14,000 people were out of work.

The House of Commons was denied that opportunity because the government was apparently unwilling to allow any committee of this house to examine into the causes of unemployment and propose remedies for the simple reason that the government was not prepared to embark on policies which a committee of that sort would be likely to recommend. That is the situation.

It is all very well for the government to say that there are more men in the work force now. Of course there are more men in the work force. The population is larger. Our birth rate is continuing its normal course. Of course there are more men in the work force. But what does that prove? That does not in any way deal with the problem of unemployment. In the face of the promises made by this government, in the face of the fact that we now have over a quarter of a million men and women out of work, this government cannot hope to escape the indictment that as a government it has not faced up to its responsibilities.

The Deputy Chairman: Order; I am sorry to interrupt the hon. member but his time has expired.

Mr. Starr: If the hon. member has not completed his remarks and wishes to continue—

Mr. Martin (Essex East): No.

Mr. Pitman: Mr. Chairman, once again we are called upon to pass an estimate in order to provide this government with its answer to unemployment, the winter works incentive program. The minister ended his remarks by saying it was a worth-while program, that it was a successful program and because of the excellence of this program there would be no difficulty in securing the passage of this item—this in spite of the fact, as the hon. member for Essex East said, there may be 413,000 people unemployed in our nation and probably even more than that at this very moment.

I took the time to look over the remarks made by the minister on this item in other years. According to him this program was a success in 1958-59 when 41,000 men received work. The minister has a penchant for large figures. He assumes that five weeks of work for an individual provides him with work for the winter. According to the minister, in Canada we have five weeks of winter.

Mr. Starr: It was nine weeks work.

Mr. Pitman: Then, surely, we should suggest not 41,000 but 20,000 for 1958-59; 25,000 for 1959-60 and 60,000 for 1960-61. We should be able to place some reliance upon the statistics that are given in connection with this matter of winter works. The program was a success last year when, as we have heard, we had more unemployment in Canada than there was in any other country in the western world and when we failed completely to deal with the program which faced us. If we include those who are dependant upon those who are unemployed, then probably 1.5 million people in this nation are suffering. Unemployment has blighted the hopes of many young people so far as future education is concerned because their parents have no hope of a stable income.

We are told that this program is a success, a worth-while project. Why are we told this? We are told this because the government does not know what success means. There are no goals. They refuse to set goals. They refuse to organize or direct the economy in order to achieve goals. Anything which provides employment is therefore a success. There is no measure of success; there is no measure of failure. All they have to do is add up the figures and tell us there were so many more people in the work force, so many more employed. This becomes therefore success with a capital "S".

Over the last number of months, and over the last number of weeks particularly, there has been considerable glee and rightly so. I am sure all of us are extremely happy to find that the percentage of unemployed has been going down. This does not result from anything this government has done. They have no reason to take any credit for this fact. After all, it was only last winter that this government said you could not do anything about unemployment. When the unemployed marched on Ottawa, the Prime Minister said this was a free enterprise society; this government could do nothing for them. Every few weeks the Minister of Trade and Commerce came forward with a solution. It was his theme song; management and labour must sit down together. Yes, this is like being in favour of motherhood. Indeed, labour and management must sit down together, but who is going to provide the opportunity? Who is going to set the rules? Who is going to give some kind of assurance that when management and labour do sit down together and come to a conclusion there will be someone who is going to provide some direction, some kind of purpose to the economy so that both will have the assurance that neither will be at a disadvantage because they have sat down together.

When this government does get management and labour to sit down together and a report is made to the government, then the government forgets completely what they have said. There is no follow-up. How strange it is that this government is actually now taking credit for lowering the number of unemployed in our society. This action is strange indeed on the part of a government which has refused to plan, refused to give any direction and is only tinkering about and hoping that they do not drop a wrench and completely destroy the machinery.

Well, because of activities in other sectors, notably in the world trade movement, because of the strengthening of the economy of our neighbours to the south, there are fewer unemployed. The minister, therefore, brings before us another winter works incentive program and tries to convince us that this is the kind of dynamic leadership which we should expect from a Conservative government, I could not help but find rather amusing article in the *Globe and Mail* of October 3. Our Prime Minister was then down in Dunnville speaking to the Haldimand county Progressive Conservative association, and according to this article he remarked upon the fact that the percentage rate of unemployment was going down. Canada had a rate of only 4.8 per cent, said the Prime Minister, and this is not abnormally high when economists regard 3 per cent to 4 per cent as the flexible part of the labour force. Even when we cannot reach minimal levels it is apparently all right.

On the same page in the *Globe and Mail* we have another article which states that direct relief costs jumped 40.6 per cent. The unemployment insurance offices are not so crowded today nor are the national employment offices because all the unemployed are over in the municipal welfare offices. In my own municipality in the month of September welfare rolls doubled as compared with the past year. We regard with some eagerness the fact there are so few people on unemployment insurance, but the truth is many of these people are dependant entirely upon municipal relief.

What is wrong with this program is the fact, of course, that it is completely and

utterly inadequate for the kind of unemployment that Canada is facing and will face. The program just tries to deal with seasonal unemployment. The minister knows very well that this is only one small aspect of the whole unemployment picture of this nation. Indeed, it is one of the lesser aspects of the unemployment problem in the last few years. In the middle of summer last year we were over what could be called a full employment society. But what about technological unemployment? What are we going to do about that? What about cyclical unemployment? We all know that the economy has started to run now; it has started to move slowly. What will happen by 1966? We will be in the same mess again. Now is the time, if ever Canada had the opportunity to take hold of this problem and deal with it. We should deal with it now when we are not so overwhelmed with this tremendous problem of mass unemployment. Now, when the unemployed are starting to move back into employment, we can decide that never again will Canada have to face mass unemployment with 800,000 or 900,000 unemployed people in our nation.

This is the challenge, and what do we get? We get another winter works program. That is all this government can do, just look about three or four months ahead. If they survive that long, then evidently that is success. This is a worth-while project and one which will not need to be defended on the floor of this house. That is the first thing that is wrong with this program. It is completely inadequate to cope with the various complexities of unemployment with which we are going to be faced over the next decade.

Second, of course, and this has already been touched upon by the hon. member for Essex East, this program does not help those who most need help. The federal government pays only one half of the labour cost. As we have seen, this is only a fraction of the total cost, perhaps only one dollar or two dollars out of the ten dollars which the municipality will pay towards these works. I should like to see a breakdown of these projects. I should like to see a number of winter works projects carried out in Amherst and New Glasgow, Nova Scotia, in the province of Quebec, in Lindsay, Ontario, and other areas which this government decided were areas of surplus manpower and required to be given particular attention.

Mr. Martin (Essex East): And Hamilton.

Mr. Pitman: In that particular sphere we spent a long enough time trying to find out which areas would be selected. We spent from December to March trying to find out what plan was going to be implemented, and it was months later before any of these areas were designated. Indeed, we can remember being told that once they were designated we would see the opening of the gates of paradise, and that there would be industries scrambling to get into these areas.

How many industries have been brought into the surplus manpower areas?

Mr. Martin (Essex East): A total of one.

Mr. Pitman: According to the minister there have been nine—only nine new industries all across the whole of the dominion. He says that these works cut unemployment, but all I can find is that a large number of workers still have to find jobs in surplus manpower areas. This program is the kind of niggling and tinkering which has been going on, and which will completely destroy us should we try to compete with other nations that have decided to do something about the problem of unemployment.

Only last month I was amused to read an article from a publication in Sydney, Australia. It is headed: "Unemployment the key issue in Australian election." My first reaction was that I was going to learn a lot about great unemployment in Australia, and once in a while it is comforting to learn that other countries share the same problem that we have. One feels we are completely out of step when we read of West Germany inviting 70,000 workers into that country, and reading that they have stopped unemployment insurance because of over contribution to the unemployment fund in that country. In Sweden they are absolutely shocked at the level of unemployment here in Canada. Indeed, it has been said that our Department of Immigration might well be called the department of emigration as more people are trying to get out of the country. For these reasons I thought there would be some comfort for me in the article on unemployment in Australia. There was none. It reads:

> There is no denying that unemployment is worrying many Australians. Official government figures place the total unemployed at 96,552 representing 2.3 per cent of an estimated 4,200,000 work force.

Only 2.3 per cent of the labour force in Australia is unemployed, yet last winter we had 10 per cent, 11 per cent, 12 per cent, and in some parts of the country 15 and 18 per cent of our labour force unemployed. It is no wonder I say it was amusing to read that article which said unemployment was a major election issue in Australia.

How far out of step can this country get? I should like to know how much money is really being spent in these areas which need it so desperately. In spite of all the drawbacks of what little they are getting, we would certainly hope for better progress in those areas where it is so desperately needed.

My third point of criticism about the program is that the projects are entirely short term ones. They do not really give any hope of employment. At the most they give five weeks employment—five weeks when the men working do not have to turn to some other source of income.

Last November and December I took the opportunity of going through the nearby armoury to see what was going on in the government's survival program. There were some 200 people taking part in it over there. Whether we agree with survival or not, at least they were looking after their own survival and getting paid by the government of Canada. Who were these people?

Mr. Martin (Essex East): The unemployed.

Mr. Pitman: That is right. The hon. member for Essex East says they were the unemployed. They were the people I had seen standing in front of the unemployment insurance office and the welfare office, but when they approached the government last winter the government told them: "We cannot give work. This would be undermining our free enterprise system." Has it come to this that the only way we can use our imagination is by putting men in uniform? Is that the only way we can provide a decent wage for at least a few weeks? Is it not a disgrace that a person would have to say that about a country which has all the opportunities of this nation?

There are no long term projects under the winter works incentive program. Instead of such projects we have a whole group of small —not insignificant but extremely limited— types of projects. Only a year ago my own city tried to get a grant for industrial site clearance work. It was a very sensible plan for a municipality with a large number of unemployed to prepare an area for the incoming industries that might be provided, that might be interested in moving there, but it was not accepted as a winter works program project. In passing I might say I am glad that the program is being widened now, but not sufficiently in my view. This government does not believe in public works. The Minister of Public Works himself has said that. According to him "you cannot expect public works to provide real employment." Can anyone imagine a more completely directionless cabinet where we have one minister standing up telling us how much has been done to provide employment, and another minister standing up and saying they cannot really provide employment? This is another example of the dichotomy of thinking in this particular field.

My fourth criticism, and most serious charge against the winter works program, is that it misleads the people of this nation into believing that this is all that a federal government can do, that this is the sum total of the federal government's duty to deal with the national problem of unemployment.

A few minutes ago I said that in 1962 we would be in a position to do something dynamic about our economy, that we would be coming out of the doldrum, but will we then have had the same kind of directionless, ridiculous growth, unproductive growth at least in terms of national growth and employment. I said that we should have a disciplined, sensible, planned growth in place of municipal works programs. That, I believe, is the only thing that can provide the kind of full employment this nation must have.

I think I heard an hon. member say that we cannot provide full employment. That is an interesting remark to make in terms of what the rest of the world is doing. A winter works program is not the alternative. How can this nation compete on such a basis with the nations of the European common market? How can we compete with Britain and other countries in the commonwealth? How can we compete with the possibility of competition from the communist world when we have 300,000, 400,000 and 500,000 unemployed?

Can we afford to pay for this unemployment? Industry pays for it in unemployment insurance benefits and also pays for it in property taxes. In other words, we have got this expense on our backs while we are trying to compete with other countries in this very competitive world. There is no alternative to full employment. This is not some kind of luxury which we can afford in the twentieth century. Those of us who believe it is are living in a fairy land.

It is fine to set up productivity councils, but how can we get labour and management to sit down together in a productivity council if what they are doing in effect is producing less jobs? The labour force has learned from the plight of the agricultural workers over the last 15 years. They have "produced" themselves down to the point where there are only half as many of them as there were 10 years ago. The agricultural worker has improved his production to the extent that he only gets half of the material rewards for his work that he should get. Instead of 12 per cent of the national income he gets 6 per cent. Unless this government can find something more than a winter works program it is utterly futile to try to suggest that productivity councils have the answers to the economic problems of the nation.

I think we were all somewhat discouraged by the howling that went on over in Europe

regarding Great Britain's entry into the European common market. What we fear most is that we cannot compete, with the kind of blundering, purposeless, directionless economy that we have. We are doing a little bit at a time; we are putting a little bit of oil in there with the municipal winter works incentive program.

This is what we should be doing, instead of a little bit of municipal building or reconstruction of parks. We know we are going to have a health plan. Two parties in this house have already said that they are in favour of it and the other party is now looking at the possibility of a royal commission providing the answer.

What will happen when we have a health plan? We will have a run on our hospitals such as we have never seen before, but we will not have the hospitals. What did we do last year? We spent millions and millions of dollars on unemployment insurance while men were standing with their hands at their sides when these hospitals could have been built.

We have set up a sports council and given them $5 million. We hope they will be able to develop some physical fitness in this nation. What are the problems this council will face? They will face a lack of facilities in this nation with its varied climatic conditions. What could we have been doing last year with the millions of dollars we were pouring into unemployment insurance and welfare, with all the money we were losing from taxation? We could have been building recreation centres across this nation into which this new sports council could have fitted this new program which has been spoken of so promisingly during the last few weeks.

This program is simply not enough. Toronto has already been mentioned. Out of a total of 67,000 unemployed in Toronto the winter works incentive program provided work for only 2,000. Two thousand out of 67,000. There is no long term plan; there is no planned development. Of course, the party in office has no interest in planning, no concern over planning and no real faith in planning.

We will vote for this measure. We will see this go through; but it will be with a heavy heart, realizing that there will still be hundreds of thousands of unemployed people in this country, some of whom have been unemployed for, not months but years.

We know that when we pass this measure they will still be unemployed; that countries in the world will still look at Canada and wonder why it is that this nation of all nations, with its tremendous resources, with all its opportunities, cannot solve a problem like unemployment. I am sure these countries will not hear very much about the municipal winter works program. I am sure they will not see headlines about this program in the *Financial Post* or in the newspapers which circulate in other countries of the world. They will look at us and wonder just what is wrong, if this is the best we can do.

We will watch this go through. We will know it will not be enough. We will know it will provide heartbreak for hundreds of thousands of people in this nation. If this is the measure of activity this government is prepared to take in dealing with this No. 1 national problem, we have little fear about what the electorate will do when the time of accounting comes at the polls.

Mr. Martin (Timmins): Mr. Chairman, there is not very much I can add to what has been said by the two previous speakers. I think they have covered this subject quite thoroughly. However, there are a few things with which I should like to deal, and possibly underline one or two of the matters they raised.

The minister opened his statement on these estimates with a talk about the effectiveness of the great advertising we have seen on the do it now program. It reminded me of one evening a month or so ago when I was sitting with some people in my constituency and one of the favourite propaganda t.v. shots for this do it now program came on the screen. One of the people with whom I was sitting remarked that the thing he liked best in that particular commercial was where the carpenter sawed a hole and dropped the announcer down through the floor into the basement. He said, "That is the treatment that should be given to anyone who broadcasts that kind of poppycock". I will not go so far as to agree wholeheartedly with him. Possibly some good comes from that program, but I would be rather hesitant to estimate just how much.

The minister said something else that disturbed me. He seemed to think that with this increased activity in the winter works program we were going to balance off the employment picture in this country. In other words, many of the jobs that were previously carried out in the summertime would now and in the future be carried out in the wintertime because of this program.

I should like to remind the minister that this would not be a very favourable solution to the problems of this country. If under this government we are going to have from 700,000 to 800,000 unemployed in the wintertime, and from 300,000 to 400,000 unemployed in the summertime, all we will do by shifting the summer work to the winter will be to average it out so that we would have 550,000

unemployed the year round. I certainly do not think this is any solution of which any government should be proud.

The minister also mentioned the past year's figure of $250 million which had been spent on this program. I was rather surprised at the hon. member for Essex East in this connection. I know he has been accused by government members of having a mathematical formula all his own, but I beg to differ with the conclusions at which the hon. member arrived. The minister said that some $250 million have been spent on this program and the federal government contributed $33 million. That works out at about 13.2 per cent. Then of course the government of Ontario contributes 25 per cent of the labour costs, which comes to 6.6 per cent, or a total from the two governments of 19.8 per cent. I think that to properly assess this program we must realize the position which faces the municipalities. First of all they must raise all the money that is to be spent on any of these projects. Then after they have raised it and proceeded with the project they can hope to be reimbursed 13.2 per cent of the cost from the federal government and 6.6 per cent from the provincial government. This still leaves the municipalities having to provide over 80 per cent of the cost of the project from municipal funds.

I have spoken on this item in previous sessions. I admit that the situation has been improved since this program was first started. There have been some changes and progress has been made in this regard. However, the fact remains that the programs subject to approval under this plan are very carefully selected programs. To qualify under this plan it appears that municipalities must have projects that could be more adequately handled by machinery than by manpower in this modern day and age. Of course, as we all know, neither the federal government nor the provincial governments make any contribution toward the cost of machinery or material, so it would seem that the projects which would be approved under this program are of such a nature—almost, one might say, from careful choice—that they cannot be too successful.

I do not wish to cover the field which has been covered by the two previous speakers, but I should like once more to underline some of the objections we have to this program and some of the shortcomings we find in it. I have brought these to the attention of the committee on previous occasions and the reason I am doing so again is because no attempt has apparently been made to remedy those shortcomings. This is called a winter works program and in my opinion that is something of a misnomer. First of all, if we had winter work we should not need this program. In the second place, it will not work in winter; it only works in those parts of Canada where winter conditions are not too severe. In proof of this contention I point to the fact that this is the second year in succession in which, to my knowledge at least, there has not been one single project either in my own riding or in the riding to the north of it under this program. The reason is simple. None of the projects that can be approved under this plan can be carried out with any degree of common sense during the winters we have in the north country.

Another problem we have with regard to this winter works program is that it puts the municipalities in a most unfair position. At the time they strike their budgets they have no assurance that this plan will be in effect the following winter. Then, by the time the announcement comes along, their budgets have been struck and have gone before the municipal board for approval. Consequently, they have no provision made for participation in the program. I feel also, as was pointed out by the hon. member for Peterborough, that there is a great danger that this program is coming to be regarded as a solution to the unemployment problem. I think there is a very great danger in this approach. The unemployment problem is a direct problem and this particular scheme is a very indirect and very expensive way of meeting the problem.

It seems to me that the government should take a look around the world today. The people now responsible for the administration should look at what is being done in Sweden, West Germany, Denmark, Israel and other European countries which have full employment. Surely if this government has not the intelligence and the brains to do at least as well as the governments of those countries, then in heaven's name it is time they admitted it to the public and went back to the public for a decision.

Mr. Creaghan: It is a privilege to say a few words at this time and to congratulate publicly the minister and the federal cabinet upon having had the wisdom to bring forward this additional assistance in the amount of $40 million.

As the previous speaker, the hon. member for Timmins, has said, perhaps the name is a misnomer; it should generally be referred to as the federal-municipal winter works incentive program. My own remarks will be primarily confined to a few situations occurring in the province of New Brunswick. Last May I placed a question on the order

paper and as a result it became publicly known that five provinces in Canada were contributing 25 per cent toward direct payroll costs to assist municipalities taking part in this program. The provinces of Quebec and Manitoba provided assistance in excess of that amount.

So far, the province of New Brunswick has not seen fit to extend financial assistance to municipalities in any way in order that the towns and cities in the province may take more advantage of the federal assistance. I strongly doubt whether much of this $40 million will be available to the towns and cities of New Brunswick and I say this because I do not feel the provincial administration is taking enough interest in the plight of unemployed people in the incorporated cities and towns.

Early in October the federal Department of Labour made public the number of projects accepted in New Brunswick up to October 16. I have a list in front of me, and 42 projects are listed. Only four of them would normally qualify as municipal projects but because of a generous amendment to the regulations which was primarily directed to Nova Scotia and New Brunswick, highway works in those two provinces now qualify for assistance. Of the 42 projects in New Brunswick as of October 16, 1961, 38 dealt with the construction of bridges, seawalls along highways and work of a similar nature. Consequently, in an indirect manner, the province of New Brunswick is contributing to the payroll costs because it has placed itself, by interpretation, in the position of being a municipality.

I have no complaint to make about the province of New Brunswick taking advantage of federal assistance to rebuild bridges, seawalls and highways. However, I do feel, when I look at the figures and see that out of the first 42 projects only four were undertaken by municipalities, that somebody somewhere is not co-operating with Ottawa.

In addition, I believe that politics or provincial patronage are entering into the scheme. To explain what I have in mind, may I say this: the details outlined by the Minister of Labour to the premiers indicated that the national employment services throughout the country would be used in connection with placements for work provided by the program. If a program originates in a municipality, whether a city, a town, or a rural municipality, it becomes a public project which is submitted first to the provincial capital and then to Ottawa. The people who are unemployed, together with employees in the national employment service local offices know all about the project. However, if the project is a provincial one in its entirety, one that is designed by the provincial government in camera, no one knows about it until Ottawa has given its approval. In the intervening days or weeks, friends, organizers and supporters of the provincial government tell local people that, for example, a bridge in their rural area is to be rebuilt. The same people are advised to apply to the local employment service office if they want work. Those who are supporters of the administration get this advance notice. They are immediately put on the list and referred to the provincial government garage concerned. Therefore, under this program one must, in my opinion, be a supporter of the Liberal administration of New Brunswick in order to get employment on a provincial project. I strongly criticize that practice. This is supposed to be a joint venture. The programs are under the partial administration of the federal government, but in most projects as stated earlier the provincial administration has complete charge.

I also want to point out to the minister that his written instructions of July 25 have not been entirely fulfilled. The letter to the premiers concluded by indicating that this was a federal-provincial-municipal program and that programs are to be advertised with signs making reference to the joint participation. I have yet to see a program in New Brunswick sponsored by the provincial government that in any way gives credit to the federal Department of Labour.

Turning to the subject of education the New Brunswick department of education and the provincial department of labour have brought out a program entitled "Basic Education Training Course" which has been extensively advertised on radio and television throughout the province. The advertisements are designed to attract people to enrol in order that they may improve their skills. These advertisements in no way give credit to the federal government notwithstanding the fact that 75 per cent of the costs of advertising, administration, teachers' salaries and other costs are contributed to the province by the federal government. The same situation may obtain in other provinces across the country. I suggest to the minister through you, Mr. Chairman, that where necessary, employees of the federal Department of Labour should have something to say in the preparation of television, radio and newspaper advertisements where the federal government contributes 75 per cent of the advertising expenditure. If a province will not co-operate, I further

suggest that employees of the federal departments should be directed to take a personal interest in the matter at the local level to ensure that some of the bouquets and some of the credit are directed to the proper source.

Those are my basic criticisms. I am pleased to observe the wisdom, effort and interest the federal government is showing in the municipal winter works incentive program. However, I take issue with the fact that the program is not being administered in a fair way in my province.

(Translation):

Mr. Bourget: Mr. Chairman, I have no intention of dwelling at length on this item, because I had the opportunity in the past of paying particular attention to this program which has been applied for the last four years.

I realize that, during the last three years the government has widened its scope, that is it allowed a larger number of projects; but I think the more important point is that in the four years since this government introduced this program it has failed to realize exactly what should be done.

I believe that I am not the only one to think so, because several hon. members who rose before me mentioned that, after all, this winter works program is not a federal program but a program financed by the provinces and, more particularly, by the municipalities. Nobody will, I think, deny what I just said, since it is also confirmed in the report published by the federal Department of Labour. Indeed, that report indicates that the contribution of the federal government for all those winter work projects comes down to only 15 per cent.

I may be accused of prejudice—

Mr. Martin (Essex East): Which would be unfounded.

Mr. Bourget: I should like, at this point, to read an editorial published in the Quebec newspaper *Le Soleil* of July 27, 1961, under the title "Municipal winter works—A poor way of solving the unemployment problem." I quote:

> Last year, Quebec's contribution was more considerable than that of the other provinces, and almost double that of Ontario, for the good reason that the Lesage government—a Liberal government—decided to contribute up to 40 per cent of the cost of labour.

At this stage, I should like to commend the Liberal provincial government which, since it took over in the province of Quebec, has understood its responsibility as regards the unemployment situation, something which did not exist before June 22, 1960.

[Mr. Creaghan.]

The article goes on to say:

> That was something new, and a greater number of municipalities have developed large scale projects which are far from being all completed. We know something about it in Quebec—

And when reference is made to Quebec, it means Quebec city.

> —where those projects had to be stopped following violent snowstorms.

Here is, in my opinion, the main point raised by the members of the opposition since the introduction of this winter works program. I quote:

> Those works are still costing a lot of money, too much, to municipalities, which are shouldering crushing burdens and which are requesting more sources of income from higher levels of government.

Here, I should like to digress a little in order to remind the house that during the election campaigns of 1957 and 1958, this government had promised to give municipalities—not only the provinces—a share of the national income, in order that they could fulfil their constitutional responsibilities. Well, we know that nothing has come out in this regard. The article goes on to say:

> The inadequacy of their current resources has obliged them to resort to massive loans. Issues of bonds are succeeding one another, and municipal debts are increasing at a rate which cannot last indefinitely. Several municipalities find it impossible to secure new loans. That is why they are requesting greater assistance, without obtaining any satisfaction.

I shall end the quotation here for the moment.

I say once again that, for the past three years, we have asked the government for a greater assistance instead of the mere 15 per cent granted now.

If, at the time of the 1957-1958 elections, municipalities and provinces had been told that they would have to find by themselves a solution to the unemployment problem, I am sure that many of our friends now sitting on the government side would not be here today.

The Chairman: Order. I am sorry to interrupt the hon. member but it being five o'clock—

(Text):

Items stand.

Progress reported.

Mr. Speaker: It being five o'clock, the house will now proceed to the consideration of private members' business as listed on today's order paper, namely notices of motion and public bills.

POWER

REQUEST FOR ESTABLISHMENT OF NATIONAL GRID

Mr. Arnold Peters (Timiskaming) moved:

That, in the opinion of this house, the government should give immediate consideration to the advisability of taking the appropriate steps necessary for the early establishment of a national power grid which would be utilized to develop Canadian industry and provide employment opportunities through development of all natural power resources. And that the government should consider providing the necessary research and technical study and the calling at the earliest possible date of a dominion-provincial conference to implement the national power grid authority.

He said: Mr. Speaker, it would appear that this idea is not unique within myself. As you know, we introduced this resolution before we were aware of what was in the throne speech. Having heard the speech from the throne, we are now aware that the government and in particular the Prime Minister (Mr. Diefenbaker) have decided to do something about the matter of a national power grid.

I believe all Canadians are aware of the need to solve the problem that is developing because of the fact that at the extreme ends of Canada there is a great potential of electrical power while in the central part, particularly in the province of Ontario, a shortage of power is rapidly developing. The extent of the shortage is indicated by the fact that in Ontario the arctic watershed and the rivers that flow northward in that area are now being developed for power purposes. This in itself is a strong indication that in Ontario we have about reached the end of our hydroelectric power development.

Saturday Night pointed out on January 6 of this year that installed potential horsepower in Ontario was 7,814,562 and of that amount 7,701,000 was being used. This would indicate that there is less than one million horsepower available in Ontario at the present time. It was recognized a long time ago that the economic problems in developing a country of this nature were going to be tremendous and that there were economic factors which naturally led to a north-south flow of trade. To overcome this situation, the first prime minister of this country promised the people that he would build and did build a railway system to counteract that natural flow and to create an economic flow across Canada from east to west and west to east. We believe that the railway has now to some extent served its purpose of making it possible for us to develop a Canadian economy.

We are now concerned about another very large natural resource with which we are going to have to do something and which again is creating problems similar to those involved in the natural north and south flow of trade in earlier days. This situation has been brought forcibly to the attention of the Canadian people because of the poor handling and mismanagement of the Columbia power development. The Canadian people are faced with the proposal of exporting power to the United States or doing something about supplying that power to Canadian markets. Electric power cannot be held or stored. You cannot put it in a tank and keep it; you have to use it. You also cannot keep the resource that produces the power. The water is going to go over the dam or down the river no matter whether there is an electric power plant there.

So it is essential that when we can develop hydroelectric power we should do so. The people of British Columbia are now in the position of wanting to increase the amount of power in that province and they are going to be faced with the situation of the federal government saying that there shall be no export of power, or no export on such a short term basis that it is not practical, and the provincial government saying that they are going to export that power on their own terms.

In the *Globe and Mail* of November 26, 1961 there is a report of a speech made by the Prime Minister in Newfoundland and it contains this passage:

A hint that a national power grid plan is in the works was dropped Saturday night by Prime Minister John Diefenbaker. He said it may not be too long before such a grid could be established using new techniques in long haul transmission of power.

I suggest that the Prime Minister was flying a kite to see what the reaction of the Canadian people would be to long transmission lines and the establishment of a national grid. Obviously the results must have been favourable. The matter must have been discussed a good deal between that time and the opening of parliament this year because the speech from the throne contained an indication that something was going to be done to develop a national power grid.

I think the Canadian people should be treated more fairly with regard to the matter of a national power grid. It is a very important step and if the Prime Minister were really serious about doing something he would know that research and development work is necessary to adapt the system that has been developed in other countries of using d.c. power transmitted in heavy concentration over long transmission lines. He should know that this system needs to be adapted to the Canadian scene and that this takes research and work. If he really believes that something should be done about this matter, then this a field that obviously is

within federal jurisdiction and he does not need any support from the provinces to make a start on it.

Certainly the implication was left that the government wants to have a line as soon as possible that will take surplus power developed in one place in Canada and transmit it to another area that can use it, and if this is so I think the government must say that it will supply the power grid on a national basis to those provinces that want to join in the implementing of such a plan.

I am quite sure that other speakers will say that we have to take into consideration the British North America Act and the constitutional issues, but what consideration did we give to constitutional issues when we wanted to build a national highway? When we instituted the trans-Canada highway certain provinces did not agree to come into the plan and only recently have they participated in it. I think the government of the day was farsighted enough to realize that they had to take the responsibility of providing the vehicle for developing a Canadian highways system. They did so and the provinces that wished to co-operate did so under that scheme.

I believe this is not a constitutional issue. In my view the government is going to try to blame the province of Quebec and say, "It is not our fault there is not going to be a national power grid". The government will have read in the *Gazette* today, as everyone else has, the headline: "Power Grid Proposal Gets Answer. It is No."

Mr. MacEwan: Would the hon. member permit a short question? Why has he put these words in his resolution:

> —the government should consider providing the necessary research and technical study and the calling at the earliest possible date of a dominion-provincial conference to implement the national power grid authority?

Mr. Peters: As the hon. member should know, we on this side of the house have great difficulty in introducing resolutions that will avoid reference to the expenditure of money. The resolution must be couched in such terms that the government will be able to manoeuvre. The resolution must simply ask the government to take into consideration rather than referring to the spending of the money that would be necessary to build a grid.

In reading this article, Mr. Speaker, one finds that the premier of Quebec refers to the constitutional issue which I suggest will be the major factor in determining what will be done. However, there are much more important factors to be taken into consideration. The premier of Quebec says, in effect, "This is a field of provincial jurisdiction and I consider that is where we must let the matter rest."

Is it not a fact, Mr. Speaker, that about a year or so ago this house passed a measure to enable the federal government to participate in the establishment of a maritime power grid? It is true that this power grid could not be considered national in scope, but it did extend over several provinces in the maritimes. If we are so interested in protecting the export of power, and I agree we must protect the export of power from Canada, is it not the responsibility of the federal government to make certain at the earliest possible moment there is a substitute method for handling the surplus power that will be developed? If we established a transmission line, you can call it a national transmission line, a national power grid or whatever you want, I believe the Canadian people would want to see a large concentration of secondary industry in Canada in order to use our natural resources.

I have spoken to some of the people in British Columbia and they are not averse to exporting power to the other provinces of Canada if the need is there. What they wish is the right to sell their power and they are certainly willing to give preference to the Canadian market. I am quite sure the Prime Minister (Mr. Diefenbaker) suggested this plan in all seriousness and that he has been advised as to the feasibility of it. I hope that the government will take a much stronger position in this field and, since there is apparently not going to be unanimous agreement amongst the provinces, establish a national power grid in those provinces that will take advantage of it.

Now, Mr. Speaker, this will be a very lengthy and very expensive program. We will be moving millions of kilowatts of electricity across a national power grid. We will not necessarily have to transport this power great distances because our country is so broad the time zones will vary the peak load periods, so surplus power can be transmitted east to west or west to east. There is another factor that should be borne in mind. These transmission lines will be useful not only for the transmission of hydro power, which appears to be the cheapest method of producing electricity at the moment, but these lines will be available to transmit electricity developed by thermal power or by nuclear power. It will be possible for us, through watching developments in other countries, to transmit a large amount of power from those areas now producing it.

One of the problems I have encountered, and this is particularly true of my own area, is that we have continued to export natural

resources in the raw state. We have seen the end or close to the end of several of our natural resources without gaining any secondary industry to replace these primary industries. I am sure the same situation exists in the maritimes and in the prairies where many farmers are being displaced by automation. This plan seems to me to present an opportunity for the Canadian people to take advantage of the tremendous resources we now have. Resources can be built upon and increased as the need becomes evident. Secondary industries depend entirely on such things as low cost power and a ready access to markets. I would think, Mr. Speaker, that the Canadian people would watch the development of this program very carefully.

It is a fact that a private member cannot introduce all the implications that should be introduced into a resolution of this nature. The government is in a position to do something about this, whereas a private member is not. We are in a position in Canada, I think, where we can offer those provinces willing to take advantage of this national grid, all the beneficial results that will flow from such a plan. I would suggest that although Quebec has turned down this plan, it will be one of the first to take advantage of a program of this type. I can foresee the tremendous potential of some developments in the near future such as the one at Hamilton falls in the Labrador area. This will be an interprovincial development that will bring power to the north shore of Quebec and I am sure some of the surplus would be available to Ontario and the maritime provinces if these transmission lines are established.

I suggest this government will be remiss in its duty if it tells the public, "If it were not for this terrible Liberal in Quebec, we would have a national power grid." I do not believe it is the responsibility of a single Liberal in Quebec to squash this plan. It is up to the Conservative government in Ottawa to take the bull by the horns and develop a national power grid. I believe the Canadian people will respond to this plan with the same eagerness that they responded to the development of the national railway. It is obvious that this plan could result in the establishment of secondary industries. It will provide a blanket of cheap electricity. There will be periods when there will be surplus electricity that could be used by industries.

I hope that members on the government side will indicate that they, too, are interested in the federal government going ahead immediately with the research and development of this national project. Then those provinces that see an advantage in it, as British Columbia obviously does, will be able to start a transmission line to handle the export of power to other provinces. It has been pointed out that this plan will be almost as important to the development of Canada in the next 20 years as was the development of the trans-Canada railway. I believe, knowing the developments that took place as a result of that project, the Canadian government should give immediate consideration to the implementation of a project that will not require the co-operation of all provinces. We should begin immediately with the co-operation of those provinces that wish to join in the establishment of a national power grid.

Mr. H. M. Horner (Jasper-Edson): I am very pleased to have this opportunity to speak to the motion introduced by the hon. member for Timiskaming. It was rather interesting to see how he got around the idea of "following John". The only way he could do it was to attack the sincerity of the Prime Minister (Mr. Diefenbaker).

As hon. members know, one paragraph inserted in the throne speech had to do with the establishment of a national power grid system. I think it should be put on the record, and I quote:

> The provision of low cost electric power is one of the most important factors in the economic growth and industrial development of Canada. As a further step in the national development policy, my Prime Minister has invited the provincial governments to join with the federal government in early discussions of the steps that might be taken toward the establishment of long distance power transmission to link provinces and eventually the different regions of Canada.

I suggest, sir, that this attack on the sincerity of the Prime Minister by the hon. member for Timiskaming was not only uncalled for but was out of place. If he wishes to use his motion as a political attack then he is doing the country a disservice, he is doing himself a disservice, and is doing a disservice toward his constituents.

Mr. Peters: I am not.

Mr. Horner (Jasper-Edson): We have read the report in this morning's *Gazette* about the response from the province of Quebec. This response, I suggest, is a political one and is not the response of sensible people in that province. To say "no, we won't even discuss it with you," does not seem to be very reasonable. I would suggest to the premier of Quebec, and perhaps to some of the premiers of the other provinces, that the idea they should build, not power grids but political power grids within their provinces, as some of them would like to do, is not in the interests of Canada as a whole. If we as a nation are to progress, then some of the political grids in

some of the other provinces will have to accept the fact that co-operation is the only method that can make confederation work.

I have quoted the paragraph in the speech from the throne which deals directly with the problem. In effect the government has said that it intends to establish negotiations and discussions immediately with regard to the long distance transmission of power, and I am sure all Canadians will respond to the suggestion. Equally I am sure that a negative approach from one province will not hinder or stop discussions on a national power grid. Certainly the concensus coming from the resources for tomorrow conference was that the federal government must show the way in the development of Canada's resources, and I feel one of the major first steps in showing the way must be discussions upon and implementation of long distance power transmission.

We in Alberta are keenly interested in this subject because we happen to be in the happy position of having an abundance of energy producing sources. We have our hydroelectric developments that are now taking place, and those that can take place in the future. In my own constituency one of the major hydroelectric developments now being undertaken is on the Brazeau river, in the eastern foothills of the Rocky mountains, and there are plans for other rivers, the Athabasca, the McLeod, and the Pembina. All of these rivers flow down through areas which have tremendous natural resources, areas which are just now coming into their own and the resources of which are being considered for the very first time.

United States Steel is now investigating coke coal immediately north of Hinton and Edson, and there has been a tremendous upsurge in the exploration for and production of natural gas and its by-products. Very soon we shall have one of the first large thermal plants with the Calgary power plant being converted from natural gas back to coal. All of these resources, coal, gas, hydroelectric and petroleum by-products are primary sources from which electric energy can be made.

I do not know if the hon. member has mentioned that hydroelectric power remains the cheapest form of power, but I am sure there will come a time in the not too distant future when thermal plants fired by coal, gas and petroleum by-products will take a strong position in the production of electric energy.

A power grid system does not have to be trans-Canada at the start. Indeed we could have regionalization in the west, connecting the prairie provinces and British Columbia with the primary market in the north and to the east. Certainly the need for power is just now becoming apparent in the northern territories. With the development of our natural resources at Pine Point, beyond Yellowknife, and at the Great Slave lake the power requirements of that area will be tremendous and could be most easily served by a grid connecting Alberta, British Columbia and the northern territories. Other regional transmission grids could be constructed elsewhere particularly in the maritimes, including the one mentioned by the hon. member at Hamilton falls.

It is my belief we should look at the problem of the transmission of power in the same way as we looked at the problem of the transmission of other forms of energy. In this regard I refer to the trans-Canada pipe line relating to gas. These energy sources should first be offered to the Canadian people and then, when we are sure that our own requirements are satisfactorily met and our future assured, we can go on to consider the export of surplus energy.

In this connection I may mention our national oil policy which has worked so well. We suggested to the oil companies that they meet quotas for production in the various oil fields. We exported oil into the western United States and we imported it back in the eastern area, and some consideration should be given to such a plan in regard to the use of electric power.

I am sure that everyone in Canada will look forward with pleasure to the implementation of a national power grid under the dynamic leadership of the present Prime Minister. I believe the power grid will go ahead and, notwithstanding some resistance in certain parts of the country, will become a major plan in the development policy and growth of Canada. I believe it will be brought in by a Conservative government as was the original trans-Canada railway in 1867.

(Translation):

Mr. Augustin Brassard (Lapointe): Mr. Speaker, I simply want to say a few words in connection with the motion of the hon. member for Timiskaming (Mr. Peters) concerning the establishment of a national power grid in Canada.

Obviously, every one of us welcomes developments of some scope in this country, because they always have a deep impact on the expansion and the economy of Canada and, consequently, on the income of the Canadian people.

As the hon. member for Timiskaming said, it was not so long ago when visiting Newfoundland the Prime Minister of Canada (Mr. Diefenbaker) left the people of that province with the idea that a national

power grid might be established. I suppose, as suggested by the hon. member, he wanted to know the views of some Canadians and to receive suggestions. I think that such a line of action was not quite in good taste because, even if people accuse us of playing petty politics, as the hon. member for Jasper-Edson (Mr. Horner) did just now, when speaking of the constitution, I want to say—and those who do not admit it have not read the British North America Act or, if they have read it, they did not understand it—that our natural resources come under the jurisdiction of the provinces.

This does not mean that the provinces may not join in the implementation of national projects, after having met, considered the projects, and come to some agreement respecting the rights of each party, with the national interest in mind.

It has been said that Quebec's answer was of a political nature. Now, all the Quebec government said, was that natural resources come under the jurisdiction of the provinces, and Mr. Lesage added, as reported in the *Gazette* of January 31:

(Text):

After noting that power transmission is on the agenda of this summer's interprovincial conference of premiers at Victoria, B.C., of which Mr. Lesage is chairman, the letter stated:

"As a matter of fact, I have already opened talks on this subject with the premiers of other provinces".

(Translation):

That is not exactly what was said by hon. members who spoke before me. I do not think his reply can be interpreted as a definite refusal. The premier of Quebec merely states that natural resources come under the jurisdiction of the provinces, but I do not think that he completely closed the door to any future discussion if no obstacle is put in the way of the talks that will take place this summer between the premiers of the different provinces.

In my opinion, it is entirely normal that the premiers should want to discuss such an important question which affects the rights of the provinces and, at the same time, can have great repercussions on the economy and development of the country.

In other words, I strongly support the first proposal put forward by the hon. member for Timiskaming, concerning the field of research related to that great project; I believe it is a very valuable proposal. In fact, the government has everything it requires to put to work a staff which could further research in that field.

Besides, an authority on the subject has already made some studies on the matter. I refer to Mr. H. L. Briggs, of the national energy board. I should like to quote what he has written on the subject, not that I agree with his views, because I cannot express an opinion on such a complex issue, but I should like to have my colleagues understand that such a thing cannot be decided overnight. That question involves complications and complexities, and I have confidence in Mr. Briggs' judgement, although I do not know if everything he says will come about. But it would still be worth while to undertake and further these studies in order to ascertain the soundness of Mr. Briggs' claims, since, as everyone knows, he is an authority on the matter.

He submitted a brief to the annual meeting of the Engineering Insitute of Canada, and at the end of his paper we read the following:

(Text):

That no advantage is clearly apparent to justify the construction of a trans-Canada grid system.

(Translation):

As may be seen on page 22 of the brief, that is his own personal opinion, but precisely because the problem is very complex, it gives even more weight to the proposal made by the hon. member for Timiskaming.

And a little further on, on page 26 of the same brief, we can read the following:

(Text):

A commercial dependable trans-Canada power grid from southern Ontario to British Columbia, integrated with the various local utilities through which it passes, is not a serious consideration in the foreseeable future.

(Translation):

And further down on the same page:

(Text):

A transmission grid system interconnecting major power resources across northern Canada, built with tapoff connections taken southward at intervals for the purpose of supplying large power consuming areas, is for economic reasons of no interest.

(Translation):

Once again if I am informing the house of the ideas held by Mr. Briggs, who is considered as an authority, it does not mean that I feel we should turn down this proposal. However, I feel that we should proceed with caution and make the necessary investigation before we take such an important step. We must also meet with the provincial authorities to discuss the situation.

I was not too happy with the Prime Minister when he expressed that idea without first consulting the provinces. He wrote to them only afterwards. It was said that the Prime Minister was then on a non-political tour but if I am to follow the example set by my hon. friend from Jasper-Edson, I should quote part of the press report which appeared

in the Ottawa *Citizen*, on November 27, 1961, concerning the Prime Minister's visit to Newfoundland:

(Text):

It was a fast moving visit billed as non-political, but with the intensive hand-shaking activity associated with an election campaign.

(Translation):

It seems to me that, before any statements were made on projects of such a wide scope, the premiers of the different provinces should have been informed and asked to meet in Ottawa. And since the item is already on the agenda of the premiers' conference to be held this summer, I believe it would be advisable to wait in order to know what they will decide and whether or not they have positive suggestions to make to the government of Canada.

However, to sum up, I think that the research work to be done in this field should be started without delay. Also, that the government should act as a negotiating or rather a co-ordinating agent of some kind and that the provinces should be approached to find out how the premiers of our different provinces feel about this development project.

As regards research, I do not believe this would affect the rights or the jurisdiction of the provinces.

As for the project itself, I am of the opinion that the provinces should be consulted and that we should await their decisions.

I am convinced that, since this project is for the good of the country and in the public interest, all the premiers will co-operate with the federal government.

(Text):

Mr. H. Russell MacEwan (Pictou): Mr. Speaker, I wish to make just a few remarks on this resolution which has been placed on the order paper by the hon. member for Timiskaming (Mr. Peters). I have listened to the hon. member for Lapointe (Mr. Brassard) and as far as hon. members on the other side of the chamber are concerned, I think it can all be boiled down to the fact that they are disappointed that the Prime Minister (Mr. Diefenbaker) has again stolen a march on them.

Reference was made a short time ago—I believe by the hon. member for Timiskaming—to the grid system which has been set up in the maritime provinces between Nova Scotia and New Brunswick. This grid system is most important to that area of the country. There is in my constituency a thermal plant, which of course uses coal, in the town of Trenton in Nova Scotia.

Just as an example of what a grid, even between two provinces, can do was shown in the summer of 1960 when the province of New Brunswick was suffering from a lack of water and therefore could not use its hydro plants. At that time the plant in my area was able to supply a considerable amount of power to the province of New Brunswick. A grid system means a great deal to the receiving end and also to the transmitting end.

I recall attending a ceremony in 1960 in the constituency of the hon. member for Colchester-Hants (Mr. Kennedy) when the switch was pulled on the grid system which had been set up and is now maintained in an area known as lower Onslow in the county of Colchester.

Hon. members may ask, "Why is it important to your area?" I would point out that there are three coal mines in my area, the MacBean mine in Thorburn, the Drummond mine in Westville and the Greenwood mine in Greenwood. The thermal plant which transmits this power consumes a great deal of the coal from the Greenwood and Drummond mines and some from the MacBean mine. In fact it has been a godsend to the latter two mines because the coal they have is not of the best quality but can be burned in a thermal plant.

To give hon. members some idea of what this means to an area I wish to quote a few figures. This project was brought about by the introduction of the Atlantic Provinces Power Development Act, which was introduced by this government in 1957 as another forward step. The following figures were given by the then minister of mines and technical surveys last year when I asked him a question in the house. To the end of 1961, the following amounts had been paid. Subventions, $2.12 million; on transmission lines, $4.22 million, and for the Trenton plant, in my area, $2.86 million. For the year 1961, the estimates showed subventions amounting to approximately $1.7 million, $6.3 million for the building of transmission lines and for the completion of the addition to the plant in my area, $363,000. This is just between two provinces. The introduction of a national grid would not only help my own area but it would also help Cape Breton island inasmuch as a thermal plant could be constructed there and power sent to other provinces.

The situation in the province of Quebec was dealt with by the hon. member for Lapointe (Mr. Brassard) and I do not think I need go into that question. For coal mining areas, for those areas in particular which were indicated by the hon. member for Jasper-Edson (Mr. Horner) and, as well, for those which can supply waterpower, I think this would represent a most forward looking step on the part of the present government. I am sure

the necessary research will be undertaken by the government and by the national research council in co-operation with the provinces for the benefit not only of the maritimes but of all other areas in this country. As I have stated, the Prime Minister brought this project forward and it is one which must disappoint those who sit on the other side of the house.

Mr. A. E. Robinson (Bruce): After I have made a few remarks about this motion I am satisfied the house will know that this government has not only been giving a great deal of attention to research into power development in this country, but has been doing something about it.

As the house probably knows, power in Ontario is the responsibility of the Hydro-Electric Power Commission. In the years since the commission was appointed or originated it has accomplished a very good job in the province of Ontario, not only in peacetime but in wartime. It has kept up with the increasing demand for power. The growth of the demand for power over the last number of years has been rapid, and the economists tell us that it will gain momentum as the years go by. The larger the population grows the more power will be used in line with the mode of living we have at the present time. Some economists predict a more rapid rate of growth than others but I think we can be satisfied that the growth will be rapid. The estimated increase for the demand for power in the province of Ontario over the next 20 years is between 5 per cent and 6 per cent per year. This means that the province of Ontario in 20 years' time will be required to double the supply of power that is needed today. Water sources of power in Ontario are, as the previous speaker has mentioned, about at an end. There are small sources up in the northern part of the province which will eventually be tapped but it is uneconomic at the present time to transport the power over the distance which would be involved. If the demand for increased power in the next 20 years were supplied from thermal sources it would mean an added cost, in coal, of some $300 million. No doubt a large amount of this coal would come from the United States, though some, of course, would come from Canada. According to this estimate it would cost $300 million a year to supply that amount of thermal power.

A short while ago the atomic energy board of Canada along with the Hydro-Electric Power Commission of Ontario agreed to erect an atomic power plant in the county of Bruce. Why they chose Bruce, I am not too sure; it is not because of the geniality of the hon. member who represents that constituency, I know that. I suppose it is because we have the facilities required by such an important undertaking. The atomic power plant which is under construction at the present time is being built at Douglas point on lake Huron. The unit which is now under construction is expected to be completed by late 1964 or early 1965. The unit will produce 200,000 kilowatts. It is planned that in 1963 a second unit will be built in along with the first unit. That second unit is expected to produce another 200,000 kilowatts. There is talk at the present time of joining a third unit to the other two. The facilities are there.

Reverting to this question of the demand for power in 20 years time, I might point out that if this extra power were supplied by atomic energy it would mean there would be $150 million worth of uranium used per year to supply this plant. Coupled with the $300 million that would be spent on coal, this comes to a considerable sum. Power from this plant, when the plant comes into operation, will go into the hydroelectric power commission grid. I am sure it will not only supply the future industrial needs of our locality in Bruce but will make a contribution to supplying the needs of the rest of Ontario.

At this time I feel a national grid is something to which we can look forward but many of these bridges will have to be crossed before it will be feasible. If our population continues to grow on the basis of predictions, I am satisfied that such a grid will become a reality some time in the future.

(Translation):

Mr. J. N. Tremblay (Roberval): Mr. Speaker, I do not usually take part in debates on private members' bills. But when I heard the hon. member for Lapointe (Mr. Brassard) a while ago, I felt I should intervene. After studying the resolution proposed by the hon. member for Timiskaming (Mr. Peters), I agree with my colleague from Lapointe that this measure would infringe upon the autonomy of the provinces.

Along with my colleague from Lapointe, I believe that the development of natural resources comes under the exclusive jurisdiction of the provinces and that any action in this regard must be initiated by provincial authorities. The hon. member for Lapointe pointed out that the federal government's intervention is justified in such a field, with the required consent and co-operation of provincial authorities.

I should not want to quarrel with him to no purpose on this matter, but it seems to me that he is at variance with some members of his party who were once influential. I refer

in particular to the former member for Stormont, the present member for Laurier (Mr. Chevrier), who, not so long ago, that is last October 16, stated that the federal Liberal party is of the opinion that the joint programs should be abandoned. I therefore wonder how the hon. member for Lapointe can reconcile such an attitude with his party's general policy.

Perhaps he would like to know my views on that subject? He knows full well what my stand is concerning any question related to provincial autonomy.

I have often said in the house that any measure introduced by the central government which infringes upon provincial jurisdiction should be abandoned. Of course, it is not always easy to drop long standing programs but we must uphold the principle that the federal government should give up any measure which is prejudicial to provincial sovereignty, as determined by the British North America Act.

That is why I feel the hon. member for Lapointe must be in an uneasy position in that respect. I noticed the precautions he used, first saying that he recognized the provinces' sovereignty and jurisdiction in matters involving the development of natural resources, but that, on the other hand, he saw the possibility for the central government's intervention in matters involving natural resources, as long as the previous discussions had taken place between provincial authorities and the central government. It seems to me that this caution comes from a perfect knowledge of the present attitude of the Quebec government which, while saying that joint projects should be done away with, as did the premier of the province in 1960, at the federal-provincial conference in Ottawa, throws itself wholeheartedly, so to speak, into joint projects. Thus, it would appear that the careful attitude shown by the member for Lapointe is dictated by political and electoral considerations. I hope that he will soon explain matters. For my part, Mr. Speaker, I can only repeat what I have said about the measure introduced by the member for Timiskaming. I do not see how he can reconcile the well known and recognized theory that development of natural resources comes under provincial jurisdiction with the project he is submitting to the house today.

I am not saying anything new when I say that relations between provincial governments and the central government have now reached a turning point, a kind of crossroads, and that we will soon have to do some new thinking about all the problems of our confederation, the problem of the various fields of jurisdiction attributed to the central government and to the various provincial governments.

That is why it seems to me that any new action aiming at joining all the provinces through joint plans must be analysed with very special care. In fact, those joint plans, all those subtle and often occult links should not limit provincial sovereignty.

As far as the province of Quebec is concerned, a province which has always been staunchly autonomist for the last 15 or 16 years, it is easy to say that it intends—and I think all Conservative members from the province of Quebec share the same intention—to prevent any action being taken that would encroach upon that provincial sovereignty and jeopardize the over-all powers and exclusive rights which have been imparted to the provinces by the constitution of this country.

(Text):

Mr. Brassard (Lapointe): Mr. Speaker, may I be heard on a point of order?

Mr. Speaker: Does the hon. gentleman wish to be heard on a point of order arising out of what was said by the hon. member for Roberval?

(Translation):

Mr. Brassard (Lapointe): Yes, Mr. Speaker.

The hon. member for Roberval added to what I said.

All I said about the central government in connection with that project is that it should see to it that surveys be made, and should play the part of a co-ordinator in setting up the national power grid.

Mr. Tremblay: Mr. Speaker, with regard to the point of order, I would like to point out to the hon. member for Lapointe that he indicated, very clearly, that if we were to proceed in the way suggested by the hon. member for Timiskaming (Mr. Peters), we should have to do it by means of joint projects.

Mr. Brassard (Lapointe): I did not say anything about joint projects in my speech.

(Text):

Mr. Speaker: Order. Hon. members apparently wish to continue the debate beyond the hour.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Mr. Speaker, I wonder whether the house leader would indicate what the government intends to proceed with tomorrow?

Mr. Churchill: The program as outlined, Mr. Speaker, providing for continuation of

debate on the supplementary estimates on the winter works program, which I presume the house will complete tomorrow because I am sure everyone is anxious to get on with the resolutions in the name of the Minister of National Health and Welfare. They are numbers 13, 14, 15 and 16 on today's order paper and the first one deals with pensions under the Old Age Security Act.

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

HOUSE OF COMMONS

Thursday, February 1, 1962

The house met at 2.30 p.m.

HOUSE OF COMMONS

RIGHT HON. L. S. ST. LAURENT—BIRTHDAY FELICITATIONS

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I trust the house will permit me to rise for the purpose of referring to the anniversary of the birth of Right Hon. Louis St. Laurent, former prime minister of Canada. I express on behalf of the government, and I know on behalf of members in all parts of the house, our sincere congratulations to him coupled with the wish that many more birthdays will be his.

I have known Mr. St. Laurent for more than 30 years, beginning in the days when he was an officer of the Canadian Bar Association. I was a member of the council of the bar association at that time. Later when he came to the House of Commons as minister of justice in the days of war, I followed him from time to time in debate as opposition spokesman.

During that long period, while naturally there were disagreements resulting from the holding of different political opinions, there was always that attitude of mind on his part which recognized two sides to every question. That, of course, is the essence of parliament and the strength of the parliamentary system.

Once more I express warmest felicitations and all good wishes for him today.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, we on this side of the house of course are pleased to associate ourselves with the warm and generous tribute the Prime Minister has paid to one who I think is the only living prime minister in our country—

Some hon. Members: Oh, Oh.

Mr. Pearson: —or rather who is of course the only living ex prime minister of our country. We hope to correct that situation before long. He was also, of course, for many years the leader of our party.

We do appreciate the very gracious and generous way in which the Prime Minister has expressed what I know are the feelings of all hon. members of the house for the services Mr. St. Laurent has rendered to Canada. Perhaps I may quote one sentence from what was said about Mr. St. Laurent this morning in an editorial in the Montreal *Gazette*:

> It is, even more, the very special respect that must always belong to one who has so well exemplified the saying of the 18th century statesman, Edmund Burke: "Let us so conduct ourselves as patriots as not to forget that we ought also to be gentlemen".

Mr. Speaker, Mr. St. Laurent was a dedicated patriot and a strong party man, and always a respected gentleman.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, the members of this group were delighted to hear the Prime Minister graciously recognize the birthday anniversary of a distinguished Canadian. I think it is very fortunate that our democratic system and the principles and practices under which it operates make it possible for us on these and similar occasions to sheath our political daggers momentarily and recognize the service that any person has performed for Canada, regardless of their party affiliation or their views in other directions.

We heartily associate ourselves with the tribute paid by the Prime Minister and the leader of the official opposition, and wish the Right Hon. Mr. St. Laurent many happy years ahead.

TRADE

U.S. TARIFF PROPOSALS—REPORTED STATEMENT BY PRIME MINISTER

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Prime Minister. Has the Prime Minister any comment to make on a statement attributed to him by the president of the national farmers' union to the effect that he, the Prime Minister, would be surprised if President Kennedy's tariff cutting program with the common market received congressional approval?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I read the report in question, and all I can say is that this and some other statements made in the same report were apparently ex parte statements made by someone in consequence of discussions that took place.

May I say that there is also a reference to the question of protection. The word

"protection" was never mentioned at any time. What I spoke of was the maintenance of our preferences in the United Kingdom in order to maintain a strong commonwealth.

That statement and other observations regarding what took place in this meeting are not in keeping with the facts.

IMMIGRATION

INQUIRY AS TO ADVERTISEMENT IN IRISH NEWSPAPER

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to direct a question to the Minister of Citizenship and Immigration. I regret that I did not have an opportunity to send the minister notice. I wonder whether the minister's attention has been drawn to an advertisement in the Belfast *Telegraph,* an Irish newspaper, as follows:

More platers and shipwrights required immediately for assured employment in Canada.

Then it goes on to give the name of the individual who placed the advertisement, and this individual is referred to as the local representative. I wonder whether the minister could undertake to investigate this matter to see whether there is any basis in fact for the advertisement. Also does it reflect the true situation in Canada, and have officials of the minister's department had any participation in it?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): I can answer the last question first; no. As I explained in the house last year, the department is not placing these advertisements, nor has it sanctioned them. I do not know anything about this particular one, but if the hon. member would care to send it to me I should be glad to investigate it.

NATIONAL DEFENCE

UPLANDS AIRPORT—WIND TUNNEL CONSTRUCTION

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I should like to address a question to the Minister of Public Works. Would the minister explain to the house why, following the cancellation of the Avro Arrow program in January, 1959, the construction of a wind tunnel at Uplands airfield, which was regarded as an essential part of the air defence program, particularly with respect to the CF-105, was continued?

Hon. D. J. Walker (Minister of Public Works): I should like to point out to the hon. member for Laurier that this is a matter which does not come within the purview of the Department of Public Works. Perhaps it could be addressed to the Minister of Veterans Affairs in the absence of the Minister of National Defence.

Mr. Chevrier: In that case perhaps I could direct the question either to the Minister of National Defence or to the Minister of Veterans Affairs.

Hon. Gordon Churchill (Minister of Veterans Affairs): This matter comes within the area covered by the national research council acting on behalf of the Department of National Defence. A question was asked on March 2, 1960, concerning the wind tunnel construction. Two questions and the answers to them can be found on page 1642 of *Hansard* for that date. I do not think there is any need to repeat those answers now.

With regard to the Auditor General's report I might point out to the house that the need for a supersonic wind tunnel to do basic research in aerodynamics was discussed in 1954, and executive authority was obtained to go ahead with the plan. The preliminary estimated figure as to the cost was set at $3,750,000. The finest example of procrastination on the part of a government occurred at that time, because nothing further happened until February, 1957, when the government of the day made a firm decision to build the wind tunnel. It then took the best part of a year and a half for the design work to be carried out, and the first contract for the wind tunnel was let late in 1958. Ninety per cent of the contracts were let during the fiscal year 1958-59, and the cost estimate of $9 million was approved in June, 1959.

The Arrow was flying before the contracts for the research tunnel were let. Therefore this tunnel would have made very little contribution to the development program of the CF-105.

Mr. Speaker: Order. I suggest that perhaps both the question and the discussion might more properly come up on the estimates. This is obviously a matter upon which opinions would be held and expressed, giving rise to debate.

Mr. Chevrier: Since the minister has referred to an answer which he gave as reported on page 1642 of *Hansard,* I think I should have leave to ask a question in that connection. My question is this—

Mr. Fulton: That was in 1960.

Mr. Chevrier: March 2, 1960.

Mr. Fulton: Then it is hardly an urgent matter.

Mr. Chevrier: The Minister of Justice apparently does not like this question.

An hon. Member: Raise a point of order.

Mr. Fulton: I should be glad to raise a point of order and ask whether anything urgent can arise today out of an answer given a question on March 2, 1960.

An hon. Member: Why did the minister bring it up, then?

Mr. Chevrier: I asked a question of the minister, and the minister replied quoting a statement he had made in this house in 1960. I should like to put a question to the minister now in reference to what he said at that time, and I think I have the right to do so. My question to the minister is this. Having regard to the fact that in his capacity as Minister of Trade and Commerce the hon. gentleman stated, as reported at page 1642 of *Hansard* for 1960, in answer to a question put to him by the member for Trinity, that the wind tunnel was not designed to test the CF-105, would the minister explain himself to the house now in view of the statement made by the Auditor General in his report?

Mr. Churchill: Mr. Speaker, this is the information which is to be found in the tentative decision of the government of the day in 1954, but they did not carry out their purpose because they made no decision until February 1957.

Mr. Hellyer: A supplementary question, Mr. Speaker—

Mr. Speaker: Order. I have already expressed the view and it is becoming more apparent this is not a matter that can be dealt with advantageously now, and might be deferred until the estimates provide an opportunity to debate it.

BOMARC STATION, NORTH BAY—TAKEOVER BY R.C.A.F.

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Is it a fact that the Royal Canadian Air Force is taking over the Bomarc station at North Bay today from the contractor and, if so, what is to be the function of that station?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, I think the hon. member knows quite well, as do other hon. members of the house, what the function of the station is to be. It is correct that the R.C.A.F. is taking over from the contractor today. The R.C.A.F. from now on will be responsible for the general administration, heating, maintenance and so on of the station.

Mr. Hellyer: A supplementary question, Mr. Speaker. Is it the intention that the station be used for administration and supplementary heating, or is it to be a defence base when warheads are supplied for the missiles?

Mr. Harkness: Mr. Speaker, I do not think any contribution is being made to the progress of the affairs of this country or to the proceedings of this house by the constant reiteration of childish questions along this line.

Mr. Hellyer: Mr. Speaker, I rise on a question of privilege. Surely the minister has no right to characterize my question as childish. The government indicated that the Bomarc stations were to be the defence of Canada and a part of the defence of North America. No good purpose is served by the making of irresponsible statements on the part of hon. members opposite.

Mr. Speaker: Order. I take it the hon. member does not wish to have a decision on his question of privilege.

REPORTED LOSS OF AVIATION GASOLINE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Minister of National Defence and ask what explanation the minister can give the house for the loss of 167,000 gallons of aviation gasoline valued at $45,000, as referred to in the Auditor General's report.

Mr. Speaker: Order. I believe there are a number of interesting matters in the report which the Auditor General has made, but unless there is some immediate urgency or some current action with respect to such matters which makes it necessary for them to receive attention I would think it is not in accordance with the practice to receive such questions now. They could all be raised seriatim if I allowed the hon. member for Laurier to proceed. Therefore I feel I must rule his question out of order.

Mr. Chevrier: No doubt there are a number of awkward references in the Auditor General's report, Mr. Speaker, but I should have thought the Minister of National Defence would have wanted to clear up this matter.

Mr. Speaker: I take it that the tap has now been turned off and we might leave the matter. Perhaps it will keep until the appropriate estimates are before us.

Inquiries of the Ministry

UNEMPLOYMENT INSURANCE

ADVISORY COMMITTEE—INQUIRY AS TO MEETING AND REPORT

On the orders of the day:

Mr. W. H. McMillan (Welland): Mr. Speaker, I should like to direct a question to the Minister of Labour. When did the unemployment insurance advisory committee make its last report to the minister, and when did that committee last meet?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I shall be glad to obtain that information for the hon. member.

TRANS-CANADA HIGHWAY

BRITISH COLUMBIA—REQUEST FOR PARTICIPATION IN SECOND ROUTE

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, may I direct a relatively quiet question to the Minister of Public Works and ask whether he has received any recent communications from the premier of British Columbia requesting an additional agreement for the purpose of participating in the portion of the so-called second trans-Canada highway in that province.

Hon. D. J. Walker (Minister of Public Works): I could not say, Mr. Speaker. If the hon. member will be good enough to put that question on the order paper I shall be glad to give it attention.

Mr. Howard: I would like to see the answer in writing.

(Translation):

POST OFFICE DEPARTMENT

REPORTED COLLECTION OF TAX ON CERTAIN EQUIPMENT

On the orders of the day:

Hon. W. M. Hamilton (Postmaster General): Mr. Speaker, last Thursday the hon. member for Berthier-Maskinonge-Delanaudiere (Mr. Paul) asked me a question about a new tax to be levied on the sale of certain postal supplies.

This is not a new tax, but the regular provincial sales tax. Beginning February 1, in those provinces where a provincial sales tax is levied, we shall collect it on the sale of a few items and hand over the proceeds to the province. This is because we do not wish to sell, tax free, items on which commercial suppliers would have to collect a tax.

Obviously, there will be no tax levied upon the sale of stamps or similar postage supplies.

[Mr. Speaker.]

(Text):

BUSINESS OF THE HOUSE

WAR MEASURES ACT—INTRODUCTION OF LEGISLATION THIS SESSION

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Minister of Justice whether it is the intention of the government, before the dissolution of parliament, to introduce any amendments to the War Measures Act along the lines of those considered last year, and as was promised two years ago on the occasion of the passage of the bill of rights which was so greatly improved by the work of the opposition?

Some hon. Members: Oh, oh.

Hon. E. D. Fulton (Minister of Justice): My recollection of the circumstances surrounding the passage of the bill of rights and of the promises made is quite different from that of the hon. member for Essex East. I do not recall the promises to which he refers, nor do I recall any assistance being given by the opposition in connection with the passage of the bill of rights, particularly by the hon. member.

I would be assisted in answering his question if he would tell me when parliament is going to dissolve. However, as the hon. member knows, a committee was set up to consider the War Measures Act. I do not think that committee has completed its work.

Mr. Martin (Essex East): Is it the intention of the government to set the committee in motion once again so that the work may be continued?

Mr. Fulton: I think that matter was covered in the course of the committee proceedings last year, and that the answer will be found there.

Mr. Martin (Essex East): This is a new session of parliament. The minister cannot do that.

Mr. Fulton: As I understand it, my friend the hon. member for Essex East can read. If he will refer to the proceedings of the committee last year I think he will find the government's intention indicated there.

Mr. Pearson: Why is the minister stalling?

Mr. Martin (Essex East): I am surprised at the Minister of Justice, who should be aware of the rules. Is the Minister of Justice not aware that a committee in one session cannot bind parliament in a subsequent session, and that as a result parliament this session would be obliged to take a step *de novo*? Is it the intention of the Minister of Justice or of the government to do that?

Mr. Fulton: I am quite aware of this fact, and there is no necessity for the hon. member to remind me of it. He seems concerned to remind the house that he is a lawyer. What I suggested was that if my hon. friend will read the proceedings of the committee he will find that the intention of the government is stated there.

Mr. Martin (Essex East): I do not think he will find any such thing.

ST. LAWRENCE SEAWAY

MR. ABBÉ BERGERON—CLARIFICATION OF ANSWER RESPECTING RESIDENCE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I wish to direct a question to the Minister of Transport. It arises out of an answer his parliamentary secretary gave to a question yesterday. The question was No. 43, standing in the name of the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon). The first part of the question reads as follows:

1. Has Mr. Abbé Bergeron, from Cornwall, Ontario, ever held a position with the St. Lawrence seaway authority and, if so, during what year, and for how many months?

The answer was yes. By the answer given there is an ambiguous implication that the gentleman in question came from Cornwall. That not being the case, I am sure the minister would wish to take the first opportunity, as I now ask him to do, to indicate that this gentleman does not come from Cornwall.

Hon. Leon Balcer (Minister of Transport): The information I have obtained from the seaway authority is that Mr. Abbé Bergeron lives in Cornwall at the present time but that at the time of his engagement on the St. Lawrence seaway he was from Hawkesbury.

Mr. Chevrier: The smear that backfired.

NATIONAL REVENUE

BRITISH COLUMBIA—LOSS THROUGH FAILURE OF U.S. OWNED LOGGING COMPANIES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to direct to the Minister of National Revenue a question which has just come to mind as a result of correspondence. Can the minister inform the house whether his department has suffered further substantial losses as a result of the recent failure of more United States owned logging companies in the Kootenays?

Hon. George C. Nowlan (Minister of National Revenue): I have no idea to what the hon. member is referring. The department, I do not think, suffered loss. There may be times when taxpayers escape the country or something of that kind. If the hon. member will be more explicit in his reference, either privately or now, I shall be glad to give him an answer.

COMBINES

INQUIRY AS TO ACTION ON IDENTICAL TENDERS

On the orders of the day:

Mr. W. H. McMillan (Welland): I should like to direct a question to the Minister of Justice. Is an inquiry instituted under the Combines Investigation Act when two or more firms submit to any government department tenders which are identical to the last cent?

Some hon. Members: Order paper.

Hon. E. D. Fulton (Minister of Justice): This matter has been the subject of comment by myself and the director and has been referred to in the annual report of the director of investigation and research. It would depend upon whether the circumstances were drawn to the attention of the director and what, indeed, were the circumstances under which identical tenders were submitted. It is a rather vague question, and I am sorry I cannot give a more definite answer.

LABOUR CONDITIONS

KENT, N.B.—REQUEST FOR DESIGNATION AS SURPLUS LABOUR AREA

On the orders of the day:

Mr. H. J. Michaud (Kent, N.B.): Has the Minister of Labour received a resolution from the council of the municipality of Kent, New Brunswick, requesting that that area be declared a surplus labour area, and if so what is the intention of the department with respect to that resolution?

Hon. Michael Starr (Minister of Labour): Since the hon. member has not given me notice of his intention to ask this question, I shall have to take it as notice and obtain the information.

CANADIAN BROADCASTING CORPORATION

"PARADE"—ALLEGED CENSORSHIP OF PROGRAM

On the orders of the day:

Mr. G. J. McIlraith (Ottawa West): I should like to direct a question to the Minister of National Revenue arising out of an answer

which he gave yesterday concerning a proposed C.B.C. program of political satire by Jean Templeton. My question is this. Will the minister find out from the C.B.C., and advise the house, what references to the President of the United States, to Mr. Khrushchev and to the royal family, were deleted from that proposed program?

Hon. George C. Nowlan (Minister of National Revenue): I will take the question as notice.

FINANCE

CANADAIR—REPORTED DEFAULT BY U.S. AIR LINE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I should like to direct a question which I put to the Minister of Defence Production the other day and which the Minister of Transport was good enough to say he would answer today, but which I understand now is the responsibility of another minister, so that I can ascertain just where it stands. The question is this. Is it a fact that Seaboard World Airlines has defaulted to Canadair Limited on the purchase of its five CL-44's, and what assistance has the government given Canadair to protect it from losses? Is the Minister of Transport able to answer?

Hon. Leon Balcer (Minister of Transport): In the first instance this question should have been directed to the Minister of Trade and Commerce. I took the question as notice because I was Acting Minister of Defence Production, but actually the question should have been directed to my colleague the Minister of Trade and Commerce. He will be in the house tomorrow and will be able to answer the question.

SUPPLY

The house in committee of supply, Mr. Martineau in the chair.

DEPARTMENT OF LABOUR

Special services—

613. Special services branch including the promotion of a program for combating seasonal unemployment, the organization and use of workers for farming and related industries and assistance to the provinces under agreements entered into with the provinces by the Minister of Labour with the approval of the governor in council—further amount required, $90,000.

614. Payments in accordance with terms and conditions approved by the governor in council to provinces and in respect of Indian bands under the municipal winter works incentive program during the 1961-62 and 1962-63 fiscal years of amounts not exceeding one half of the cost of labour incurred in the period from the 15th day of October, 1961 to such day in the fiscal year 1962-63 as may be determined by the governor in council and to authorize payments in those fiscal years to provinces in respect of previous municipal winter works incentive programs in accordance with terms and conditions approved by the governor in council, $40,000,000.

Mr. Herridge: I intend to be quite brief, Mr. Chairman, but I rise to support this item because it does provide some measure of welcome employment to those who obtain that temporary and short term employment. From the point of view of members of this group it completely fails to meet the problem. It is a palliative, a short run approach to the question.

Before proceeding, I do want to say I appreciate the courtesy of the minister in informing the members as to the details of the regulations with respect to this program and the works that will be undertaken in the particular ridings. I also say that in my experience the municipal authorities, that is the people who very frequently work on a voluntary basis, have done their best to co-operate with the federal government in giving effect to this program. However, unfortunately the minister, with the best of intentions, is placed in the position of having to use what we consider obsolete methods to meet the present serious and continuing problem so far as unemployment is concerned.

Now, we do not blame individuals. However, it is the function of this government to try to make capitalism serve the needs of the people to the best of its ability. That is its function because it supports this present economic order, and supports so-called free enterprise. As a matter of fact, legitimate, responsible free enterprise is disappearing from the scene in many sections of industry and business. This program is an attempt to overcome the effects of planning for profits instead of planning for the welfare of persons.

This government, and all governments of the same political philosophy, recognize that the world has changed. Many years ago these unemployed persons would have been unfortunate enough to remain unemployed, without assistance. But governments have changed their views in our lifetime. The doctrine that governments must do something, even those governments supporting capitalism, to overcome the hardships occasioned by slumps or depression, is orthodox economics and entirely within the framework of the economic philosophy that this government accepts. Therefore it is trying to do something with this program.

Mr. Grafftey: Would the hon. member permit a question?

Mr. Herridge: Yes.

Mr. Graffiey: He made a very interesting remark. Would he also admit that legitimate nationalization is disappearing from the scene?

Mr. Herridge: The hon. gentleman has much more knowledge of what is legitimate or illegitimate than I have. Therefore I am unable to understand or answer that question.

As I have said, the government is trying to do something. The government tries to do all it can without trespassing on the privileges of those vested interests that more and more control our economy. That is the basic reason as we see it, Mr. Chairman, for these piecemeal, partial, part time remedies that are put forward to assist certain persons in agriculture and certain persons in Canada who are unemployed. What happens today is that these vested interests, representing monopoly capitalism, accept no responsibility for the welfare of the nation as a whole or their own employees if they have to be employed at a loss or even at a lowering of the profit rate. They leave their casualties to be dealt with by the government.

What is the position in Canada today? I understand we have between 400,000 and 500,000 persons unemployed, while at the same time we can spend over 1600 million upon armaments and so-called defence. Even reading today's newspapers we must all be conscious of the fact that there is a terrific amount of waste in that quarter. A previous speaker made reference to waste in respect of gasoline which amounted to some $144,600. That is just one of the few items mentioned in press reports of waste discovered by the Auditor General in the department of defence. I am not blaming any particular individual, but even though we are spending these huge sums of money, were it considered necessary to spend another $200 million or $300 million on Bomarc sites we would provide the money without question.

Only yesterday we learned of a United States implement corporation buying out the interest of the Cockshutt company, and because that corporation does not accept any responsibility to the Canadian nation as a whole it at once lays off many Canadian employees. It does that instead of accepting some responsibility which might entail the company operating at a loss or at a lower profit margin for a period of time. Its planning is entirely determined by the yardstick of profit, and its activities are not carried out in the interests of the welfare of the employees.

At present many large companies do more than they did in previous years with respect to pension plans; but the individuals in charge of management, because of the necessities of the economic situation under which we operate, must first of all consider the profit side of the ledger and not the welfare of human beings. This is something which disturbs Canadians living under these very serious and trying conditions.

The party for which I speak recognizes the situation and the need for what we term modern policies and modern economic tools to meet the situation. We say there is no use, even with the best intentions, in approaching our agricultural depression by offering our farmers some assistance in the form of acreage payments, and by offering a very small percentage of our employed some short term employment. We believe we must establish a system of planning in this country. I am not suggesting for a moment that this will suddenly cure all our ills, but we must have planning undertaken by those responsible to the people, whether in the federal, provincial, or municipal fields, so that planning can be based on a country wide, long term development of our natural resources. I am also suggesting a planning policy of public and private investment based on the sound use of our national credit.

Now, Mr. Chairman, we all know that in the last 25 years the humbug of finance has been exploded in quarters that had knowledge of what was involved. But that humbug is tenacious. It has a long life. It has the influence of those who are in charge of the press, advertising media, and so on. We are using unorthodox finance methods today by going off the gold standard and by the raising of large sums of credit based on the value of our natural resources.

Mr. Macdonnell: Will the hon. member permit a question? That is a very provocative phrase which he has used, at least provocative in the intellectual sense. He has spoken of the "humbug of finance." That covers a lot of territory and I wonder would he explain what he meant. He did not limit it.

Mr. Herridge: I would say the humbug of finance is the idea, as it were, that the banks create money, that money is something only banks can create and distribute. Money is only credit, and credit is based on the opportunity to apply labour to our natural resources and manufacturing resources. From our point of view all that is required is that the state should provide capital related to the value of our natural resources, in other words use national credit to establish a planned public and private investment policy.

Would the hon. member object to this illustration? In my own district a United States corporation—and I am not blaming the individuals concerned because we are all working under this system—has acquired a tremendous area of natural resources, forestry resources. It had to obtain the management

licence first and one of the senior officials of the company said to me "Once we had the management licence we had no difficulty in raising the capital in New York." The point is that all the credit was based on the natural resources, plus the know how of the company to apply its techniques and labour to those natural resources.

What we are saying is that we should have an investment policy, both public and private, which would make possible a national credit policy, which in turn would make possible a public and private investment policy under national control. It is only by planning for the development of our natural resources and the utilization of our credit and investment that we can provide a stable economy, which will assure those who are willing and able to work the labour and income to which they are entitled.

Mr. Macdonnell: Would the hon. member permit another question?

Mr. Herridge: Yes.

Mr. Macdonnell: He seems to me to be seeking to create a differential between production carried out by private enterprise and that undertaken by public enterprise. He seems to suggest that in one kind of production there is planning and that there is no planning in the other sort. However, the hon. member, who is himself a businessman, must agree that there is not even the smallest operation carried out without constant planning. I think he will agree with that, but I would like to be assured.

Mr. Herridge: I quite admit there must be planning as Mr. Kirkpatrick, chairman of the chamber of commerce said recently we have to have more planning in Canada. But the planning by large corporations must be undertaken on the basis of showing a profit as the prime result. In the illustration which I gave, the head office in New York decides the market for a certain commodity, and when the market falls it can decide to keep its United States plants working at full capacity and shut down its Canadian plant for a number of weeks. That is planning in the interests of the company, not in the interests of Canada and the Canadian people.

Now, I am not pointing the finger at individuals, because we all have to operate in the present environment. However, we in this party claim that governments have to accept responsibility for planning in all these fields if we are to have a stable economy which will provide the Canadian people with the security and income to which they are entitled.

(Translation):

Mr. Pigeon: Mr. Chairman, my first words will be a tribute to the employees of the national employment service and of the unemployment insurance office in Joliette, who are giving such good service to the people of Joliette-L'Assomption-Montcalm.

May I more particularly and publicly commend the present managers of the office, Mr. Maurice Carmel, Mr. Clovis Rondeau, Mr. Yves Dion and their whole staff. Moreover, I should like to congratulate the man who accepted to chair the winter employment campaign, Mr. René Giroux. Mr. Giroux and his executive committee are making a constant and devoted effort to stimulate winter employment.

Mr. Chairman, it might be advisable to stress the part the province of Quebec is playing in the winter works program. As a matter of fact, according to official Department of Labour estimates to date, the cost of projects in the province of Quebec would amount to $95 million and the federal contribution to $13,200,000.

The city of Montreal has, on its own, undertaken projects amounting to approximately $10 million for the current year and will receive about $1 million from the federal government.

Yesterday's *Nouveau Journal* said that the winter works program carried out in the province of Quebec, will give employment to about 46,000 people.

I also want to point out the contribution of the town of Joliette in the field of winter works. The town of Joliette is undertaking projects worth $417,000 and will get $50,000 from the federal government.

The town of L'Assomption will launch projects for a total cost of approximately $140,000, the federal contribution being $22,000.

The town of Repentigny has provided for $306,000 worth of projects, and the federal grant will be $38,000.

Rawdon, in the county of Montcalm, is undertaking projects for about $10,000, the federal share being $4,000. That is for the township of Rawdon; the village of Rawdon proposes to spend $36,000, while the federal government will pay approximately $14,000 for winter works projects.

It is rather unfortunate, Mr. Chairman, that the hon. member for Levis (Mr. Bourget) should not be in the house. When he rose yesterday—I am referring to page 418 of *Hansard*—he referred to an item published in the Quebec newspaper *Le Soleil* of July 27, 1961. Among other things, he said that municipalities of our Canadian provinces were getting deep into debt, and that it would not help the municipalities.

However, Mr. Chairman, the statements of the hon. member for Levis (Mr. Bourget) which were based on that report in *Le Soleil*, are completely at odds with the statement of the present minister of municipal affairs of the province of Quebec, the Hon. Mr. Cliche.

According to *La Presse* of January 3, 1962, the Quebec minister for municipal affairs would have made the following statement:

There is no cause for alarm concerning capital expenditures by the municipalities: they result from a trend in economic development.

He added:

The public works that the municipalities must undertake to meet the increasing needs always require large expenditures and are reflected by growing financial liabilities for the citizens. In accordance with the trend in recent years, the number and the amount of municipal bonds sold on the market, during the year which is just about to end, have been maintained at a high level. There is nothing alarming about that fact; on the contrary, since capital expenditures made by municipalities reflect a trend towards development. As long as the new bonds keep in line with the paying capacity of the taxpayers, there is no reason to worry. Besides, the authorities see to it that these bond isues do not go beyond a wise limit imposed by financial resources.

And the minister for municipal affairs added the following:

The number and value of projects carried out by the municipalities in the province of Quebec to fight unemployment have substantially increased. The decision by the provincial government to contribute 40 per cent of labour costs has no doubt impelled a greater number of municipalities to take part in the winter works program. Everything tends to indicate that the number and value of the works carried out under this program are going to increase during the winter of 1961-62. We should be happy about it, because a greater number of workers will thus be able to get the money they need so badly for themselves and their families.

Mr. Chairman, I also have before me a statement made by the Quebec premier as reported in *La Presse* of January 3, 1962:

The forecasts for the period which is just starting would even be optimistic, on account of a certain business "recovery". Of course, there will always be pessimistic people. A company director, whose career was a success, once said: "Optimism should be a watchword for everybody". It might be said that optimism never put anything on a plate, however, fortunes have been made by some people because of an optimistic smile.

This, Mr. Chairman, is in reply to the gloomy statements on the future of Canada's economy, which were made yesterday in this house by the hon. member for Levis (Mr. Bourget) and which are, I believe, contrary to those of his Quebec provincial leader.

Now, I should like also to refer to an article entitled "Report from Ottawa", by Mr. Patrick Nicholson, one of the most prominent reporters in Canada, who states:

—that Mr. Paul Martin keeps on telling his fairy tales, but that it is "like a wicked witch that he carries on his smear campaign against Canada, which he sees only as a country of misery, depression and unemployment".

At the last Liberal convention in Ottawa, the most influential strategist of the Liberal party, Mr. Walter Gordon, acknowledged that the pre-war crisis began in 1929 under the Liberal government of Mackenzie King. And the now famous "hidden report" of 1957 clearly showed that the recession of that year had also begun under the Liberals, that is the St. Laurent government. Therefore, Mr. Paul Martin is discrediting himself and contradicting historial facts when he claims that, on both occasions, Conservative governments were responsible for the recession and unemployment.

And yet, he keeps on singing the same old tune which is perhaps his swan song. But the federal government does not lay off employees in industry; it does not build foreign compact cars to compete with Oshawa; nor does it give away American surplus wheat which deprives our prairie farmers of their markets. Furthermore, the federal government does not create employment. Neither Mr. Paul Martin nor the Liberal party could, if they were in power, create one single additional job, except by adding to the number of civil servants.

Mr. Chairman, *La Presse* of September 23, 1960, quotes a statement of the Leader of the Opposition (Mr. Pearson):

Unemployment, he went on to say, is a problem which affects all levels of governments, and the responsibility thereof cannot be placed on the federal government only.

Need I recall, Mr. Chairman, what was stated in the House of Commons on March 23, 1955, by the then hon. member for Joliette-L'Assomption-Montcalm, Mr. Maurice Breton?

Some people seem to think the problem of unemployment is one for the federal government alone to solve. Still, by virtue of constitution and custom, the property, control and responsibility with regard to natural resources in this country are vested in the provincial governments. Therefore it would be abnormal for provinces which claim credit for the industrial development of this country to refuse to accept their share of responsibility for unemployment. It is true that unemployment insurance legislation is a federal responsibility. This has been brought about through the consent of the provinces. But such legislation is only a means of helping the unemployed and does not, by itself, create employment.

Mr. Chairman, on two different occasions, the premier of the province of Quebec committed huge blunders at the expense of the unemployed. The first time, at a meeting of the union of county councils of the province, he got mad and said that unemployment insurance was costing the province too much money. Because the government must spend approximately $6 million a month to help those who are without work, he said that the unemployed were lazy. He claimed that those who receive unemployment benefits would rather depend on the government than work, because the amount they receive is larger

than the minimum salary. "Those benefits are a premium for idleness", pompously declared the premier.

The premier of the province of Quebec immediately received a harsh reply. This time, instead of attacking the unemployed, he turned on semi-disabled people who, as such, are not covered by the Disabled Persons Allowances Act, but come under unemployment assistance. According to the premier, those 42,000 semi-disabled persons represent a substantial amount in the budget of unemployment assistance and are largely responsible for the fact that those payments will cost the government over $75 million this year.

This, on the part of the premier, is really odious and it is increasingly obvious for the people of the province that the fidgets of their political leader evidently show the incompetence of the administration.

After those statements by the premier of the province of Quebec, protests arose. With reference to the recent statements made by the premier, the Quebec workers federation, through Mr. Julien Major, commented as follows:

If Mr. Lesage thinks that Quebec workers will accept to go back to the time when the laws of the jungle prevailed on the labour market, he is wrong, because they now have enough political conscience to get rid of a government which would like to bring back the most shameful days of T. D. Bouchard's plan, who was also a Liberal.

Mr. Chairman, the provincial government, through its ministers, comes out with contradictions as far as the responsibility for unemployment is concerned.

Do I have to recall the statement of the Hon. Bona Arsenault, minister of "the uniform".

The solution of unemployment rests with Ottawa.

We are familiar with the document I have here—and I have spoken about it in this house—that is, section 12 of the platform of Quebec Liberals which reads as follows:

The provincial government must assume its responsibilities in the matter of unemployment.

In the comments, it is stated that "unemployment is a family affair" and that "we must pursue the necessary policies to fight the sources of that evil which undermines the security of thousands of Quebec families". Then, the program mentions four kinds of unemployment: structural, technological, seasonal and cyclical. It suggests ways of coping with them. For the first three cases, no mention is made of Ottawa and great stress is placed on the functions of the economic guidance council.

[Mr. Pigeon.]

Mr. Chairman, need I refer again to that quotation from *La Réforme* of November 19, 1960, which read:

Unemployment: family problem and provincial responsibility.

Mr. Chairman, I would advise all members of the opposition, who are pessimistic and who are constantly harping on the gloomy state of our economy, to take their inspiration from a statement reported in *La Presse* of August 20, 1959. It is a letter signed by the hon. member for Lapointe (Mr. Brassard), which reads as follows:

The fight against unemployment is a responsibility of the government and the governed, of management and labour, of public men and businessmen, of industrialists and bankers, in other words every one must co-operate in a constructive way to the gradual elimination of that social plague, and every one must at the same time avoid trading upon popular passions.

Mr. Chairman, this last quotation should be of particular interest to the hon. members of the opposition. And the hon. member for Lapointe goes on to say:

What we must guard against is to try and promote a cause or a political ideal at the expense of those who are suffering of such a plague as unemployment. There are too many demagogic politicians—

I should like to point out incidentally that he was addressing himself to his Liberal friends.

—whose main ambition is to sell their own product or promote their own advancement, by taking advantage of any social disorder, which becomes, in their eyes, a mere accident or just another opportunity in the planned pursuit of their political objectives.

Mr. Chairman, the hon. member for Lapointe was thereby giving a lesson to his friends who are sitting with him on the opposition benches.

Mr. Chairman, I have a few notes and in order not to err about dates and quotations, may I be allowed to speak from those notes. According to the press, the leader of the Liberal opposition in Ottawa, the hon. member for Algoma East, Mr. L. B. Pearson, said in Ontario:

That one of the main objectives of a Liberal government, on the national level, would be to launch a massive attack against unemployment.

Mr. Pearson was prudent enough not to utter those words in the province of Quebec. The fact is that many of his listeners would have referred to the provincial Liberal propaganda of 1960, which held the provincial government of the time responsible for unemployment in our province.

How the Liberals exploited and deceived our unemployed with that theme. Once in power, they were to put a stop to unemployment. And unemployment, as we know, exists. They did not take any effective measure to provide jobs for those who had none.

Instead, they cut down the work, they patronized firms from outside Quebec and they reduced or eliminated unemployment insurance or social benefits to the needy.

Furthermore, Hon. Bona Arsenault, the minister who advocated the wearing of uniforms, as I said a moment ago, stated before the chamber of commerce of Saguenay:

The solution of the unemployment problem has always been the responsibility of the federal government.

And the newspaper article continues:

Then, Mr. Arsenault, and you Mr. Lesage, the custodian of the Great Seal, and you Mr. Rene Levesque, the opponent of free enterprise, why don't you tell us why you have charged the former administration with responsibility for unemployment if it was, as you say today, a federal rather than a provincial problem?

Will you admit that you were dishonest in your speeches and in your propaganda? Will you also admit that you laughed at the unemployed and that you used them as a stepladder to power?

As for you, Mr. Pearson, your promises are not worth any more than those made by Mr. Lesage in 1960. You refused to deal with the unemployment problem before the present Prime Minister ousted you from office. How could your incompetence and your apathy of yesteryears suddenly transform themselves into an infallible remedy to the unemployment problem? Mr. Pearson, you are also trying to laugh at the unemployed and the needy and you are attempting to use them as a political football to win an election.

Mr. Chairman, the premier of Quebec does not want the unemployment insurance benefits to disappear, and he had to say so in the face of the tide of protests that followed his statements against that system of assistance to the unemployed. However, one will not soon forget the attack of the premier of Quebec which can be termed as an insult to the unemployed of our province. A labour leader even wondered whether Mr. Lesage would not be one of those intellectual fossils of the thirties still prepared, in 1961, to question the usefulness of social security.

It is obvious that there has been abuse with regard to unemployment insurance, just as there is in connection with any social measure taken by municipal, provincial or federal authorities. We must fight such misuse but fight it in such a way that innocent people will not suffer.

Mr. Boulanger: Mr. Chairman, I rise on a point of order.

The Chairman: Is the hon. member rising on a point of order?

Mr. Boulanger: Yes, Mr. Chairman.

I would like to ask the hon. member for Joliette-L'Assomption-Montcalm to tell us who wrote the speech he is reading.

Mr. Pigeon: Mr. Chairman, I am speaking from notes I prepared and corrected myself. I think it is my duty to do so in order to correctly give the quotations I have to make, like this one from a labour leader—

Mr. Boulanger: Mr. Chairman. I wonder why the hon. gentleman is allowed to read his speech—he knows very well nobody is allowed to read a speech in this house.

The Chairman: I agree that this rule is justified but the hon. member for Joliette-L'Assomption-Montcalm has just explained that he has extensive notes at which he glances once in a while.

Mr. Pigeon: Mr. Chairman, I have several statistics which I will read into *Hansard* later on.

In addition, I should like to quote certain statements and I would not want them misinterpreted by members of the opposition who are experts in that field; instead, I would rather follow my text and look at it from time to time.

With the Quebec premier, everything was thrown overboard and investigations were re-opened, new forms were required, etc. We shall never know how much suffering and hardship were caused by such a decision.

In fact, is there so much abuse in our province? In that connection, I should like to refer to an article which appeared in *Le Nouveau Journal* on June 12, 1961, and in which it is stated that in 1959-60 the province of Ontario spent $12 million on unemployment assistance, and the province of British Columbia over $7 million, while the province of Quebec spent $6 million. Yet, the number of unemployed was quite high in Quebec.

Mr. Denis: How much unemployment was there under Mr. Duplessis?

Mr. Pigeon: In view of those figures, we fail to understand how there can be any talk of considerable abuse and how Mr. Lesage can spend $100 million on unemployment assistance in 1962.

Besides, the Liberal government would not have to worry so much about unemployment assistance if it had kept its promise to put an end to unemployment in the province. Instead of that, the Quebec government seems bent on fostering unemployment by taking steps to discourage new operations.

If the province can afford to keep a Quebec House in Paris, it seems to me it should also be able to provide for its unemployed.

Mr. Chairman, I should like to quote an article which appeared in the newspaper *Le Devoir* on January 18, 1962, and which reads as follows:

Mr. Jean Lesage has emphasized that according to the latest statistics isued by the federal government, there were 129,000 unemployed in the province of Quebec in December 1961, that is 31.2 per cent of the total figure for Canada.

And Mr. Unemployment himself, Mr. Lesage added—

Mr. Johnson: Mr. Unemployment, quite right, quite appropriate.

Mr. Pigeon: Let's call him Mr. Unemployment.

—and Mr. Unemployment added:

That is the lowest percentage since dominion bureau of statistics figures have been available.

Need I remind the house of the protests which were raised by the confederation of national trade unions when their leaders deplored the fact that there was not a single word in the Quebec speech from the throne about the present unemployment situation in the province. Here is what we read in an article published in *La Presse* on January 15, 1962:

However, the confederation of national trade unions regrets that the speech from the throne has nothing to say about the unemployment problem which should undoubtedly be foremost in our collective minds.

The representatives of the confederation protested because the Quebec speech from the throne did not mention the unemployment situation in the province.

Some time ago a delegation went to Quebec, Mr. Chairman. It included officers of the Quebec federation of labour, the confederation of national trade unions, the industrialists, professional association, the catholic farmers' union, the co-operation council and of the Quebec chamber of commerce. These representatives, united in a common effort, went to meet the premier of the province and offered him suggestions concerning the employment situation. They had prepared a number of suggestions which I am glad to put on *Hansard*. Here they are:

Be it resolved: (a) that the provincial government be asked to establish a fact-finding service for collecting data on employment.

This service should first make surveys, at regular intervals, in all areas of the province, to determine:

1. The number of unemployed;
2. The average age, age category and sex of the unemployed;
3. The average length of the unemployment periods and the types of unemployed in relation to the length of unemployment;
4. The industrial and occupational groups where unemployment is found;
5. The family obligations of the unemployed;
6. The degree of education of the unemployed;
7. The means of livelihood of the unemployed who have used up their unemployment insurance benefits.

Mr. Chairman, it seems to me that it would be important—and here, if possible, I would ask the Quebec provincial authorities to become aware of their responsibilities—to act on section 12 of the Liberal party program, which states that:

Unemployment is a family affair, a provincial one.

If the province of Quebec were to act upon the recommendations put forward by leaders of all social classes, I believe that the evil of unemployment, which has spread all over the province, would be lessened. This problem has not been settled according to the promises made by the Quebec government.

It is becoming more and more generally known that requirements for available jobs in industry are getting to be extremely hard to meet. Statistics have shown that, despite the fresh outbreak of unemployment in the country, numerous vacancies still remain to be filled owing to the lack of qualified applicants.

It has been learned from statistics that about 70 per cent of our unemployed do not possess any skills which would ensure employment; 70 per cent of those unemployed workers have had no schooling beyond the seventh grade and are forever suffering from the ups and downs of cyclical employment and unemployment.

I now want to pay a tribute in this house to the federal Minister of Labour (Mr. Starr) who helped to relieve the jobless, and encouraged them to increase their knowledge when he raised allowances paid to the unemployed who are continuing their studies.

Ottawa is paying 75 per cent of the cost of courses for the unemployed, while the provinces contribute 25 per cent.

Mr. Chairman, at this point, I shall have the satisfaction of reading some figures, with regard to the province of Quebec, into the record. We have been told that almost 11,000 unemployed in this country have availed themselves of those courses, 4,170 in Quebec, and only 494 in Ontario.

During the first six months of 1961-62, that is up to September 30 last, almost 4,000 persons, in Quebec, enrolled for these classes.

Mr. Chairman, it would also be urgent that in the county of L'Assomption, which is part of the riding of Joliette-L'Assomption-Montcalm, a technical school be built so as to give our young people the opportunity to learn a trade and prepare for tomorrow.

The federal government is ready to pay 75 per cent of the construction costs of a vocational training school in any province which wishes to take up the offer, but the initiative must come from the provinces.

I therefore ask the Quebec government to take the initiative of building this school and the federal government will then pay 75 per cent of the costs. Mr. Chairman, this would provide the province of Quebec with means to cope with this calamity of unemployment.

May I now be allowed to quote from the statement made by the Hon. René Lévesque at a Liberal women's convention, as reported in *Le Nouveau Journal* of September 25, 1961:

—that lack of education is responsible for unemployment.

It does not say that the federal government is responsible.

Lack of education is responsible for unemployment.

Then Mr. Lévesque went on to speak of unemployment and claimed that lack of education is responsible for unemployment. "We cannot" he said "create small jobs for those who have no education". A lot of unemployed are not fit for the jobs available.

There are at present 116,000 unemployed in the province; 50,000 of them at least are permanently unemployed. They are diseased. How many could be saved? How many have below-average education? What does it cost the government to help them?

The Chairman: Order. I am sorry to interrupt the hon. member but his time has expired.

Mr. Denis: Do not be sorry, Mr. Chairman.

(Text):

Mr. McMillan: Mr. Chairman, I listened with interest to the last speaker who, I think, forgets that the leaders of his party prior to the election of March, 1958 said they could cure the evil of unemployment. At that time I remember hearing the Minister of Labour say on television that unemployment would disappear in the spring. We all know the Minister of Finance said that unemployment would disappear with the snow.

I listened with some interest to the speech of the hon. member who preceded me, who said that the word "unemployment" was not even used in the throne speech in Quebec. I think this year is the first time the word has even been mentioned in the throne speech here; yet by its policies this government has more to do with unemployment in this country than has any province.

I listened with great interest to what the Minister of Labour said yesterday about this vote. I am in favour of this vote. I think it puts a certain number of men to work. However, this measure is a palliative, is comparatively meagre in its application, and is no answer at all to the unemployment problem.

I know the minister said that a number of proposed projects are not yet under way this year. If we go back to the fiscal year 1960-61 we find that there were 2,153 projects that gave employment to 121,000 men. The minister said that each man obtained an average of 45 days of work. This means that the winter works projects produced the equivalent of 21,000 jobs on a full time basis. But since this government pays only half the labour cost, it follows that this government's contribution to the winter works program is slightly over 10,000 jobs on a five day week basis for the full year.

We hear a great deal about the winter works program. However, when you compare 10,000 jobs with 719,000 people out of work last February, you can see the inadequacy of what has been done. That is why I say the effort is a meagre one. It means that there is about one full time job for every 70 persons out of work. The record of this government is one out of 70. If they wish to take into consideration another month in which the number of unemployed was not so great, it will be found that the record is still dim.

The minister referred to the winter works program in glowing terms. In my opinion the municipalities have come to the aid of the government. They have provided this work and have not received much benefit in return. I say they have not received much benefit in return for these reasons. First, we have the higher cost of construction in wintertime. I have read that the cost of construction in the wintertime, depending on the work, is higher by from 25 per cent to 30 per cent. Not being in the construction industry myself I would not know whether or not that figure is correct.

Mr. MacEwan: That is a lot of nonsense.

Mr. McMillan: Certainly any construction being done in this deep freeze weather would be a great deal more expensive than it would be in the summer months.

The municipalities also complain that it is difficult to obtain money at a reasonable rate of interest in order to finance their capital costs in connection with this winter works program. I have also had municipalities complain to me—they have written to me and I have transmitted their communications to the government—to the effect that the government held up interim payments in respect of the winter works program. This difficulty

has cost the municipalities a good deal of money, because they are obliged to pay a high interest rate at the bank.

As to this money we are voting today, I say that the government will never pay back one cent of this vote. They will borrow it. They will never pay one cent of the interest on this vote. We know that the printing presses are working and printing about $6 million of new money a day. It will take just about a week of running these printing presses in order to soak up this vote.

I read a submission made to this government on November 10 last by the federation of mayors and municipalities. In this submission a number of obstacles were brought to the attention of the government. I might say that these obstacles have been brought to the attention of the government by members on this side of the house during the course of the last three or four years. As one major obstacle to fuller municipal participation, mention is made in the brief of lack of any provision for financial assistance in the purchase of materials. Attention is also called to the difficulty experienced by municipalities with regard to borrowing money at a reasonable interest rate in order to finance the capital cost of the program. It would be much better if we had some type of municipal loan fund, such as that which we have recommended, in order that municipalities might be able to go ahead with their various projects with money obtained at a reasonable rate. This submission also stated that it was not always practicable for some municipalities to do this work in wintertime. They say that they are willing to reschedule their work and do as much as possible of it in the wintertime, but that this is not always possible. They also assert—and they brought this matter to the attention of the government—that while the unemployment rate is high in the wintertime, it is also very serious in other seasons of the year.

They made a number of recommendations and passed several resolutions as well. Among these recommendations was this one, which particularly attracted my attention. They favoured a return to sanity in the handling of the unemployment insurance fund. They recommended that the act should be revised in order to restore the insurance principle—and they used the word "restore"—so the solvency of the fund would be assured, as they felt that in fact the fund would soon be bankrupt.

I do not see much hope, however, that the government will bring this act up for revision during this session. I know it is mentioned in the speech from the throne. However, in speaking yesterday the minister said that a vote would be brought in during this session or before the end of this fiscal year for the purpose of making a grant to the unemployment insurance fund. This amount will be added to our debt and our taxpayers will be called upon to pay this extra bill.

Last year we in the opposition brought forward several measures that the government might adopt in order to stimulate our economy. One of them was double depreciation. We said it would stimulate our economy and that, as a result, we would have less unemployment and there would be less need for the winter works program. The government did not accede to our suggestion but made provision for double depreciation only in those areas of surplus manpower. Double depreciation was made applicable in those areas, but in other areas it was not allowed unless a new product was being manufactured.

A surplus manpower area was defined by a complicated formula which took you back to 1953. I made an appeal in this house, I think it was in September of last year, to have Welland declared a surplus manpower area. Welland city and that area applied to the government to be so designated. From 1953 through 1956 Welland had comparatively few unemployed, but there have been a lot of unemployed in that area in the last three or four years. As a result of the high employment figures in the earlier years Welland was unable to qualify as a surplus manpower area in which double depreciation would be allowed.

I know that the government showed flexibility in arriving at some decisions. They had to be flexible in order to put Elliot Lake in the surplus manpower category, because Elliot Lake was non-existent in 1953. At the time this decision was being made with regard to Welland, the Atlas Steel Company there was coming to a decision on the location of its $42 million stainless steel plant extension. Double depreciation would mean a saving of some millions of dollars in income tax to the Atlas Steel Company. Of course the people in Welland were very anxious to have this plant extension located there. I feel it is significant that Atlas Steel did not make known its decision as to the location of the new plant until after an adverse decision had been rendered by the Minister of Labour on Welland's application to be declared a surplus manpower area.

I have no objection to a plant moving from Ontario or from my area to another province providing that province has better things to offer and it is more economical for the plant to locate there. However, I do disagree with this government that it should make one area more desirable in so far as taxes are concerned to the extent that this

would be an important factor in deciding upon the location of a plant. I know other reasons were advanced for the removal of this plant. One reason advanced was that the company would be able to purchase electricity at a cheaper rate in the new area, but Hon. Mr. Macaulay of the Ontario Hydro-Electric Power Commission went on record very emphatically to the effect that he offered power to this plant at a rate competitive to the rate they would have to pay in the new location.

I think it is fair to say that if Welland had been able to retain this plant it would certainly not need any winter works program. This plant would have stimulated our economy. It would have helped business generally, and especially the small businessmen in that area. It would have helped the farmers in my area. It would have helped everybody in the city of Welland, because the people there pay high taxes as a result of increased welfare payments over the last few years, and the capital cost of any winter works program they have undertaken in the past. If this $42 million plant had been located in Welland every taxpayer would have been helped. There is no winter works program that could be put forward by this government that would in any way compensate Welland for this loss. I am sure there are few people in the city of Welland who agree with this government's plan to make one part of our country more desirable than another in so far as income taxes are concerned. I do not believe that is good business. I objected to it at the time. I said we should make double depreciation applicable right across the country.

During the debate the minister took credit for the pick-up in our economy. He said the results were simply wonderful. I am glad that there was some pick-up in our economy. At that time he cited the most heartening increases in the gross national product and in personal expenditures on goods and services. He talked about increases in expenditures under the winter works program. He also mentioned a decrease in the unemployed. We are all glad to see these things, but it would have been much better if we could have stimulated our economy through the private sector and then had a pick-up in employment as a result.

Last spring it was freely predicted that we would have a pick-up in our economy, and this improvement was reflected in a good many ways. We know that there has been a pick-up in the economy of the United States. We have a cyclical pick-up in this country. We know the United States economy has been stimulated through their armament program. I say that in so far as this winter works program gives limited help to the municipalities, it is all right. However, I do believe that other measures should have been taken, particularly in view of the fact that the help we are giving under the winter works program only puts about 1 out of 70 in winter or 1 out of 30 in summer of the unemployed back to work.

During the debate on the speech from the throne the Minister of Justice referred to the winter works program and said that unemployment was very little higher now than it was under the previous administration. He painted a very rosy picture. I should like to ask him, if that is so, what happened to the unemployment insurance fund? Then the Minister of Trade and Commerce gave some rather extravagant figures in his speech. His speeches read something like fairy tales. I should like to ask him why, if conditions are so good in this country, there is not a scarcity of labour. He presents figures which are far more extravagant than those I ever heard presented before, and figures which are even better than those presented in Italy. When I was in Italy in October and November there was certainly no unemployment there. I was in Naples, a large city in the southern part of Italy, which in previous years had a lot of unemployment, and I was told that no one need go without a job as long as he was willing to work.

Mr. Grafftey: What was the average rate of pay?

Mr. McMillan: I do not know about the average rate of pay. They were working, and our unemployed get no pay.

I asked the Minister of Finance a question the other day about the unemployment insurance fund. He, of course, has taken that fund under his protective wing and in view of the minister's record we as members of the house must feel that we should look carefully at anything he takes under his tender care. On the basis of his record I do not think the Minister of Finance could run a peanut stand and keep it out of the red, even if you gave him the peanuts free. Certainly that has been his record in the past, and I believe we should be told about the unemployment insurance fund or any other fund which comes under the care of the Department of Finance and the Department of Labour.

Mr. Hellyer: He would probably use Cuban peanuts.

Mr. Macdonnell: I should like to say—

The Deputy Chairman: Has the hon. member for Lincoln a question?

Mr. Smith (Lincoln): I wish to ask a question of the hon. member for Welland. During his remarks he said that prior to 1957 there was little or no unemployment in Welland county. Does he remember that in June, 1954, a large delegation from Lincoln and Welland counties came to Ottawa and met Hon. Milton Gregg and the hon. member for Essex East? I shall quote some of the correspondence from Hon. Milton Gregg. At that time 12½ per cent of the labour force was unemployed in Lincoln county and Welland county, a higher percentage than now.

Mr. Hellyer: Is that a question?

Mr. Smith (Lincoln): I should like to quote a very short passage from a letter which I received from Hon. Milton Gregg. It states:

In view of this situation, I can only repeat what Mr. Martin stated at our meeting, namely, that your first recourse should be, in this case, to the provincial government.

In other words they washed their hands of our unemployment problem and told us to go and see the provincial government.

Mr. McMillan: I shall be glad to answer the hon. member for Lincoln. I did not use the year 1957. I referred to the earlier years, 1953-56, and there was considerable unemployment for a short time in that period, but our government did something about it.

Mr. Starr: What?

Mr. McMillan: There were not as many unemployed then as there are now.

Mr. Starr: That is because of the member they have.

Mr. Macdonnell: I rise to add a further comment to the exchange which I had with the hon. member for Kootenay West when he was speaking. He agreed with me that in private enterprise as in public enterprise there would be planning, but he seems to think that in the case of private enterprise profit is the test and the motive, and that there would not be the same amount of productivity as there would be in the case of public enterprise where the motive was the public welfare.

I should like to make some comments on that. I think in private enterprise you have the driving impulse of private gain which impels people to produce in spite of risks. I think that to talk only about profit is wrong. There are any number of people who have sustained losses and who have nevertheless provided employment and assisted others. However, I come back to the fact that profit does help us. It is, as it were, the acid test of the worth-whileness and usefulness of what is being done. If we produce things which people will not buy then we make a loss, but if we produce things they will buy, and if we do it well, we make a profit.

In this connection I should like to quote Churchill, who has an apt comment on nearly everything. He said we should not complain about people who make a profit; we should complain about people who make a loss. The people who make a profit, whether they have that as a primary motive or not, are assisting other people by providing employment.

There is another point mixed up with it, one with which I think the hon. member for Kootenay West would not disagree. That is the distribution of the profit. Recently I read a very interesting book on that subject by a man who practises profit sharing. He says there are three elements, three parties, to be considered when distributing profits: the owners, the workers and the customers. On this I shall have some remarks to make at a more appropriate time, but at the moment all I say is that we should not regard profit as if it were a term of reprobation. As I have said already, Churchill said we should not complain about people who make a profit but about people who make a loss.

Mr. Howard: I listened with great interest to the comments of the hon. member for Kootenay West and to the comments made apropos of the same subject by the hon. member who has just taken his seat. I also listened with very great interest and enlightenment to the speech made by the hon. member for Joliette-L'Assomption-Montcalm in the debate in reply to the speech from the throne. In that regard I think he was speaking in the wrong place. He should have been in the Quebec legislative assembly.

Mr. Denis: That is for sure.

Mr. Howard: I should like to make one comment with respect to the question of the profit motive and the value we should attach to it. I believe we should keep in mind the subject matter which we are discussing at the moment, participation with municipalities undertaking certain types of projects. The benefits, if there are any, which accrue to a municipal system or structure might be attributed to the degree of profit realized by private enterprise in industry, but these benefits are really consequential or inconsequential benefits; it does not matter which classification is used. They are not things in which industry itself is directly participating. They are the results, and they appear in the form of roads, sidewalks, sewage systems, water systems, light facilities, hospitals, and a variety of other municipal services. These are services which are provided through taxes levied on industry. That is the manner in which they are provided. Industry itself

does not participate directly in providing these particular services to a community. It does it in an indirect and, I submit, inconsequential way so far as the operators of industry themselves are concerned.

This is what I take to be the gist of those remarks in the extent they apply to the speech of the hon. member for Kootenay West. If there were this larger degree of social consciousness on the part of the entrepreneurs of industry as to the services which society should provide through its governments, perhaps we would not be in the state we are today with respect to those municipal services.

The winter works program, so called, was started, I gather from the statement of the minister, as an experiment in the winter of 1958-59. There was, of course, a great deal of discussion at that time about the announced program, about its weaknesses and its failings and the fact that it was confined to such a small number of projects. The minister stated yesterday—I will quote his exact words and then they will be correct, instead of paraphrasing them—at page 405 of *Hansard*, toward the bottom of the right hand column:

> However, there were some who felt the program had little chance of success and that it would not appeal to the local governments. Now, to refute that, the increased number of municipalities that have taken advantage of the program each winter clearly indicates that it does appeal to municipalities;—

This type of political propaganda and political speeches engaged in by the minister and other hon. members on that side of the chamber are not factual or correct statements and are not correctly aligned to the situation. Here the minister is combining the thoughts which were expressed about this experimental program when it started in 1958 with its application today, and he is saying that the two are precisely the same. As the minister knows, this is just not so.

In 1958 the fields of endeavour in which the municipalities could engage, and toward which they could expect some contribution from the federal government, were very restricted compared with what they are this year and what they have been each year since the program started. In 1958-59 this program was first instituted as an experiment, as the minister said. Those who at that time said it had little chance of success and would not appeal to the local governments were quite correct, as the program was then defined.

I read portions of letters—and I have the *Hansard* with me—in the early winter months of that year. I quoted portions of letters from municipalities in my own district. These letters said substantially the same sort of thing, that the program was too restrictive or applied only to labour costs on certain types of projects. Certainly in the interior of the province, where heavy winters and low temperatures prevail for a long period of time, municipalities felt they would not be able to participate in the program that existed in 1958. Those statements were quite correct at that time. The only thing which has made the winter works incentive program acceptable to a larger number of municipalities has been the fact that the minister each year since 1958-59 has admitted he was wrong the year before. That is all that has made the program helpful.

If the minister had paid attention to or acted upon those suggestions we made in 1958 and 1959, when this program was instituted, and had put them into effect at that time, the program would have had a better chance of success in 1958, 1959, 1960 and 1961. But the minister felt he must stick by his original philosophy not to accept anything from the opposition benches and carry on, and then admit that he was incorrect when a subsequent year rolled around.

The program instituted originally as an experiment is now lauded as a success. It has been a success each year. I am not decrying the degree of its success. However, I think this is what we should do. This type of program, designed as it was originally to promote employment in the municipalities during the winter months on certain types of projects, is something that should not be carried on, in my opinion, on a year to year basis by way of supplementary estimates for which the rules each year can change, and be advanced and expanded. It is something which should be contained in permanent statutory form as an indication by this parliament of Canada that even though we cannot deal directly, and do not wish to deal directly, with those affairs over which municipalities have jurisdiction, nevertheless we recognize as a parliament that they have great financial difficulties and we, as a parliament representing the people of this nation, have through this medium a responsibility to those municipalities to assist them financially wherever we can.

I think this program should be carried out by statute so it would be a permanent arrangement, something similar to the trans-Canada highway program. What would be the situation if we had started to build the trans-Canada highway in 1949 by paying for it each year by way of an estimate? The provinces would not know where they were going, and the federal government would not know where it was going financially or any other way.

I submit that the same thing is true with respect to the municipalities. They are in a difficult financial position. They, as governments, are the ones who are squeezed the most financially. Their tax base is the narrowest of any of the three levels of government. Their tax base is the most limited. Their borrowings are controlled by provincial legislation. I know this is true of British Columbia; their debt can only reach a certain per capita amount by statutory limitation of the province. They are at the mercy of whatever juggling the Minister of Finance might engage in which results in adjustments and increases in the interest rate on borrowing. They are completely at the mercy of the Minister of Finance in this regard. This is the one level of government which is impinged upon in financial matters more than any other. This is one way in which the parliament of Canada should consider assisting in a more definite way than we do.

This program before us, this so-called winter works program, should not be looked upon, as I think it is in many quarters by government supporters and government members, as the only solution or the only activity which should be engaged in by the federal parliament. This is only a sort of hesitant step, a halfway program, a halfway measure that is milked to the limit for the political advantage that can be gained out of it. There is really no firm, definite approach to assist municipalities in meeting the needs of their people.

In fact, I think the statements of the minister with respect to the number of people employed are to a large extent exaggerations and do not reflect the true situation. I do not think this is what the minister or the government envisaged when this program was instituted. I know some municipalities—and there are others—who postpone the work they might normally do in the summertime until the wintertime so they can receive assistance from the federal government or the provincial government, whichever is applicable. Therefore all that is happening in many cases is this. We are not promoting any additional employment, but the municipalities are merely transferring the number of people who might be employed and the job potentialities, from the summertime to the wintertime when they will receive subsidization for the project through this municipal winter works incentive program. This is not in itself an undesirable thing. It tends to level out employment throughout the year but it does not, as the minister has claimed, tend to promote more employment over the whole of the year. It merely tends to transfer work and jobs from one period of the year to another.

[Mr. Howard.]

I have some newspaper clippings here which deal with this matter; unfortunately, I cannot put my fingers on them at the moment. Here is one which will give an indication of what I have in mind in this regard. This is from the Vancouver *Sun* of Thursday, October 19 and it is headed: "Winter Projects Cost $8 Million". Part of it reads as follows:

> Burnaby reeve Alan Emmott said the works program will keep about 200 men on the payroll who otherwise would have been laid off. But he said it is unlikely any new men can be hired.

He was referring, of course, to the winter works program.

> Municipal officials of both city and district—

This refers to the lower mainland of British Columbia, and the district embraces some six or eight municipalities. I do not know precisely which municipalities are referred to. But the article continues:

> Municipal officials of both city and district plan a rotation system under which a maximum is placed on the length of time a worker may remain on the winter works payroll. This spreads the jobs around, officials said.

As I say, this approach on the part of municipalities is not undesirable, because it tends to spread the work around; it tends to ensure that people who potentially might be unemployed encounter a lesser degree of difficulty. However, I submit that when the minister talks, as he did yesterday and as he has done in years past about 111,000 employees getting 45 work days, or 45 days of employment per man, he is distorting the facts. The minister is taking the amount of money which he has put out and estimating what it would mean in terms of employment. A municipality says to him that so many man hours will be involved in these projects costing a certain amount of money, and so on. The minister is then putting all this information together and saying it means that all this extra employment has been provided in addition to the employment we might normally expect. However, this is not the case in practice because, as I said, municipalities are in some instances instituting a system of rotation. In other instances they are merely saying their people would not have been laid off if this system had not been in effect. In other centres, as I have pointed out, they are merely transferring the work to be done from the summer to the winter in order to take advantage of the federal or provincial contributions made available in respect of wages.

I say the figures announced by the minister as applied to the number of people receiving full employment by virtue of this program are not true and correct figures. I believe they distort the situation which does, in fact,

exist. I say the minister is not able to get true and accurate figures as to what this program means in terms of the number of man days of employment provided.

Then again, some areas cannot take part in this scheme. Those areas which are subjected to severe winters find that the areas of work in which they might engage are restricted. If the temperature falls to 30 or 40 degrees below zero, as I gather it does sometimes in northern Ontario, how would it be possible to get out and dig sewers or undertake projects of that kind? It cannot be done in such frozen ground unless jackhammers and powder are used, and that is not the manner in which municipalities normally work. This is something with which we should concern ourselves. If we are to have a winter works program, let us have a program in which all the municipalities can participate in one way or another on a wide open basis.

What about areas which are depressed areas or which have been declared surplus manpower areas for a long period of time? We all know that once the economy of a municipality goes into a decline through a slackening off of industry and a loss of employment possibilities, for whatever cause, the services provided by that municipality also fall into decay. We know that the tax load becomes harder to bear; we know that the possibility of obtaining money by borrowing or new taxation becomes less. Some municipalities are just not economically in a position to take part in such a program as we are discussing. No consideration has been given to such areas except the double depreciation allowances announced some time ago. We need, I think, to assess the condition of the municipalities with the object of providing assistance for those which need it so that all the municipalities may be on an equal footing.

The suggestion of the Liberal party with respect to a revolving loan fund for municipalities is a laudable one. It indicates to me, though, that even though the opposition held office for 22 years it still does not know what is on the statute books of this country. For a number of years, now, we have had on the statute books the Municipal Improvements Assistance Act, chapter 183 of the Revised Statutes of Canada for 1952. It is true that this act applies only to self-liquidating projects, but it exists as a piece of statutory legislation, it has been on the books for many years, and it has never been used since 1940. It provides for a revolving fund and sets up the machinery for making loans to the municipalities at an interest rate of 2 per cent. Why does not the government, by order in council—and this can be done under the terms of the act—bring that measure into force and begin to lend money to municipalities for the purposes outlined in that legislation? In my opinion those purposes are insufficient because they cover only what are classified as projects of a self-liquidating type. Surely, however, this government is not so deficient in initiative that it is incapable of bringing in some simple amendment to this act to provide that loans may be made for purposes wider than those specified in the act as at present drafted? This is one method that could be followed. There is no need to wait for the Liberal party to think it is going to get back into office. There is no need to wait for some kind of promise to be made to the general public and the municipalities. All that needs to be done is to give effect by order in council to a measure which is already on the statute books—that is, if this government really has any concern for the municipalities.

I think, in summary, that the program for municipal winter works as outlined by the minister indicates that the hon. gentleman has been incorrect every year in the past and has now brought himself up to date and agreed with those of us who over the years have proposed changes in the system. It is a restrictive and, to a degree, a discriminatory program because it restricts the type of projects which may be engaged in.

It does not contribute to employment to the degree the minister says it does. It allows the minister and other members of the cabinet to distort the facts and figures for political purposes. It does not permit the municipalities in depressed areas to participate as fully as they could. It does not take into account the fact that the municipalities find themselves in an increasingly difficult financial position largely due to the actions of the government and the Minister of Finance.

Mr. Browne (St. John's West): Mr. Chairman, would the hon. member explain what he meant by his reference to allowing members of the cabinet to distort the figures?

Mr. Howard: Certainly. There is no necessity to quote the words and figures the Minister of Labour used yesterday when he indicated that the program provided X number of man days of employment. He said in addition it promoted work in the winter season among people who would otherwise be unemployed. Statements of that nature have been made. Whether the figure of 10 man hours or 100,000 man hours is used, the result is substantially the same. A correct indication is not given of the situation that exists.

I know of some municipalities that postpone until wintertime work that would normally be undertaken in the summertime in order to have the federal government pick up the tab.

I read a newspaper article which indicated that the reeve of Burnaby said no additional people would be employed but some would be prevented from being laid off as a result of the program. I will use this as an example. The reeve is reported to have said that 200 men would likely be retained on the payroll who otherwise might be laid off but in all probability no new men would be hired.

The distortion arises from the fact that the impression is created that 200 additional jobs are being provided as a result of the government's program.

Mr. Browne (St. John's West): Mr. Chairman, does the hon. member not agree that 200 men were retained in employment who otherwise would have been unemployed? Does that not represent providing jobs for them?

Mr. Howard: My hon. friend is in just as much a difficulty now as he was the other day when he referred to Premier Smallwood.

(Translation):

Mr. Deschatelets: Mr. Speaker...

(Text):

The Deputy Chairman: Order.

Mr. Howard: Are you calling me to order or those who are interrupting?

The Deputy Chairman: The hon. member for Skeena has the floor.

Mr. Howard: I am finished.

The Deputy Chairman: The Chair recognizes the hon. member for Winnipeg North Centre.

Mr. MacLean (Winnipeg North Centre): Mr. Chairman, it has become apparent during the course of this short debate that its tenor is different from that of previous debates on the estimates of the Department of Labour in other sessions. This is particularly evident when you sit back and listen to the speeches made by those in the opposition benches for, although they say they are concerned about unemployment in Canada as indeed are all hon. members of this committee, it becomes increasingly evident, at least from the speeches I have heard, that they are much more concerned about the fact that measures the government has taken to combat unemployment are proving to be effective.

This session members of the Liberal party have not attacked the government concerning the unemployment problem as strongly and arrogantly as they did in previous sessions. They do not approach the subject with the same degree of doom and gloom. We all remember the occasion when, a little over a year ago, the hon. member for Essex East predicted that one million Canadians would be out of work during the winter season. That prophecy was not fulfilled.

Last fall the Leader of the Opposition spoke about the scourge of unemployment across the country and predicted that it would be very much worse this winter than the winter before.

The fact of the matter is that the measures this government has undertaken have improved the employment picture across Canada to such an extent that hon. members of the opposition are no longer in a position to attack the policies implemented by this government to combat unemployment.

The hon. member for Skeena rose and in his devious way misinterpreted and twisted the statements made by the Minister of Labour and the measures this government has undertaken to provide employment. He did so in an effort to indicate that the New Democratic party is the only party in Canada that has all the answers with regard to the problem of unemployment.

An hon. Member: The Canadian Labour Congress says it cannot be done.

Mr. MacLean (Winnipeg North Centre): We all remember the founding convention of the New Democratic party last year and the resolution brought forward with regard to a full employment policy. So important was this resolution that the matter was not even settled at the convention. I do not believe for a moment that many Canadians know what the full employment policy of that party is because as far as I am aware the party has no such policy.

We all remember that Dr. Eugene Forsey stood on the floor of the convention and made his feeling known with regard to a full employment policy. He outlined the dictatorial way in which that party would have people shifted from place to place right across the country in order to fit them into their little slots.

Mr. Starr: With state police guarding them.

Mr. MacLean (Winnipeg North Centre): Yes, with state police guarding them. Hon. members will recall the speeches made in this regard by the members of that party sitting on my right.

What has happened since then? The national leader of that party has stopped talking about a complete planned economy. In fact, of late, he does not even talk about a planned economy. A year ago in this house hon. members of that party represented here rose and said the only answer to the problem of unemployment in Canada is a complete planned economy. Why, today, a year later, is this no longer the answer?

I invite hon. members to recall the famous television debate between the hon. member for Bonavista-Twillingate and Mr. Tommy Douglas. A question arose from the

audience as to whether or not Mr. Douglas' policy was in fact in agreement with a complete planned economy. He said, "Oh no, nothing like that. We do not need a complete planned economy." That appears in the television script.

A year ago today it was declared that we needed a complete planned economy. Why, all of a sudden, is the word "complete" now discarded? I believe this is done in an attempt on the part of the New Democratic party to place before the Canadian people a rosier picture of that party which no longer stands for anything radical but merely straddles the middle line.

This serves to illustrate to my way of thinking that the opposition parties, although concerned about unemployment as we all are, are really more concerned about the fact that this government has been able effectively to combat unemployment in Canada.

Let us look at the situation in the United States. Hon. gentlemen opposite were only too ready to look at the United States when steps were being taken there that perhaps put Canada in the background. What are the present facts? The United States government is attempting to implement measures we have already put into effect in Canada. The rate of unemployment in the United States is greater than it is in Canada.

Mr. Hellyer: That is not so.

Mr. MacLean (Winnipeg North Centre): That is a fact. And who deserves the credit for what has been done in Canada? The Minister of Labour and his colleagues. Hon. members in both opposition parties sit in their seats muttering and groaning about this, that and the other thing. I invite them to give credit where credit is due when constructive measures have been undertaken.

When the government of the United States follows a constructive pattern established by the Canadian government hon. members of the opposition accord no credit to the Canadian government but when the Canadian government does not follow what is being done in the United States hon. members of the opposition, such as the hon. member for Trinity, are the first to rise and tell us we are wrong. In their eyes we are never right; we are always wrong.

Mr. Howard: And sometimes you are half right.

Mr. MacLean (Winnipeg North Centre): The hon. member for Skeena has again put his foot in his mouth where it should remain all the time.

Surely hon. members opposite cannot reasonably expect the members of the Conservative party and the people of Canada to accept the gobbledygook they utter.

We in the Conservative party are concerned that the latest figures indicate there are 400,000 unemployed persons in Canada. I invite hon. members to compare the rate of increase in employment in recent years with pertinent figures relating to the early fifties. I invite them to take note of the amazing rate of increase in the number of people who have been employed in the last three or four years as compared with the rate of employed in the fifties, especially the early part of that decade. This reflects credit on the government. There is unemployment in Winnipeg just as there is in any urban city in Canada but great credit is due to the Minister of Labour and this government for the policies that have been implemented to alleviate the situation. I know that the winter works committee in Winnipeg composed of citizens from all walks of life deserve a great deal of commendation. They are people who, without any pay or recognition, go to work in order to help do things to ease unemployment in our province.

The government has gone ahead and has built a technical school in the province of Manitoba in my riding. That is a further indication of the fact that they are interested in providing technical training for those people who do not possess the necessary skills. I agree that the government is contributing only to the construction and not the operation of the school. However, it is a policy that was not in existence before we took office.

What about this municipal loan program the opposition parties preach about? Surely they do not believe it is the total answer to the whole question of unemployment. I agree that the suggestion itself has merit. But if we had gone along with the idea and had established this fund, by the time we had the money lent or had the municipalities apply for the loan, we would have had unemployment the like of which has never before been experienced in Canada.

This government acted by means of constructive and effective measures. Let no one in the opposition try to say that the figures on unemployment with regard to this year as compared with those of last year do not represent a distinct improvement right across Canada.

The economy of the country is operating at a high level. When hon. members talk about these two measures being all that is done for unemployment, surely they are only fooling themselves. The fact of the matter is

simply this, with regard to combating unemployment, that it is attacked and worked on through all departments of government. Things are done by every minister in every department to combat unemployment. Surely it cannot be said that this estimate of $40 million is the only thing we have done to combat unemployment. I would ask hon. members to look at the Department of Public Works, to look at the Department of Northern Affairs and National Resources or for that matter to consider every department of government and to look at what has been done in the last five years. That is where the answer is to be found with regard to constructive policy in order to combat unemployment right across this country.

The hon. member for Peterborough talks about the $5 million grant with regard to amateur athletics and asks why we do not get busy and build recreational centres throughout the country. Surely he has enough sense to know that recreation is under provincial jurisdiction. He wants us to invade provincial jurisdiction and to start building recreational centres all across the country without regard to what they are going to be used for or where they are going to be built. That is another example of the way in which the members of the New Democratic party attack the problem. They say "Go ahead and if you are wrong go back, but do not stop to look".

I shall just conclude these few remarks with the flat statement that as far as I am concerned and as far as the people in western Canada are concerned, it is only too evident now that what the Minister of Labour and the other ministers have done with regard to combating unemployment is proving to be effective.

(Translation):

Mr. Deschatelets: Mr. Chairman, I have no intention of following the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) in the politically biased diatribe he gave us a short while ago. As a matter of fact, we had the clear impression, at least for a while, that he was in the wrong parliament and thought he was in Quebec.

I am of the opinion that the speech of the hon. member for Joliette-L'Assomption-Montcalm, which is taken up by several of his colleagues from Quebec and elsewhere, is precisely the kind of speech that irritates the unemployed.

The Conservatives are trying, after four years of research, in academic discussions, with the help of misleading arguments, to conceal their present responsibility as far as unemployment is concerned.

Mr. Pigeon: That is not true.

[Mr. MacLean (Winnipeg North Centre).]

Mr. Deschatelets: Mr. Chairman, the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) has brought forward two arguments which I should like to refute immediately. First, he said that the previous administration was to blame for the present unemployment situation. Let me ask him this right now—and ask the Associate Minister of National Defence (Mr. Sevigny) and the Secretary of State (Mr. Dorion): Even if this were true, why has this government been elected if not to find solutions to present problems? That is the important question. But in answer to the statements by the hon. member for Joliette-L'Assomption-Montcalm, let them never forget that when the Conservative government took over in 1957, they found $926 million in the unemployment insurance fund. Therefore, if we had had extensive unemployment when the Liberals were in power, the unemployment insurance fund would not have reached such a huge amount. That is the answer to that question.

There is another argument which is also irrefutable. It has been proven here in this house, in the presence of the Minister of Labour (Mr. Starr), by the hon. member for Laurier (Mr. Chevrier), that according to D.B.S. figures—compiled for the period 1946-56—the average percentage of unemployment has never exceeded 2.8 per cent, while the experts admit that 3 per cent represents full employment.

We are therefore entitled to say today that, under the previous administration this country had a period of full employment.

Mr. Pigeon: How many unemployed were there in 1957?

Mr. Deschatelets: I would ask the hon. member for Joliette-L'Assomption-Montcalm to wait, if he has any questions; I will answer them at the end of my remarks.

Mr. Chairman, the member for Joliette-L'Assomption-Montcalm also stated that unemployment concerned every government and every individual. We are most happy to notice this change of heart—

Mr. Pigeon: Tell us something about the hon. member for Lapointe (Mr. Brassard).

Mr. Deschatelets: —because his former leader, Mr. Duplessis, used to say: "The unemployment problem is Ottawa's responsibility, it does not concern us". Now, the province of Quebec, under the Lesage government—

(Text):

The Deputy Chairman: It being five o'clock it is my duty to leave the chair in order that the house may proceed to the

consideration of private members' business, pursuant to section 3 of standing order 15.

Items stand.

Progress reported.

Mr. Speaker: It being five o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely notices of motions, papers; private bills and public bills. There being no business under the first two headings, the house will consider public bills.

INDUSTRIAL RELATIONS

AMENDMENTS REVISING MEDIATION AND CONCILIATION PROCESSES, ETC.

Mr. Frank Howard (Skeena) moved the second reading of Bill No. C-5, to amend the Industrial Relations and Disputes Investigation Act.

He said: Mr. Speaker, this bill is one of those designed to assist the government in reducing its quota of unkept promises from 12 to 11. I am sure that in that regard the Minister of Labour (Mr. Starr) and others will find no hesitancy in supporting it. The bill is rather lengthy and perhaps I can, in the few minutes allotted to me, attempt to give a succinct but full explanation of the thoughts behind it.

Briefly, the collective bargaining process which exists at the moment by virtue of the Industrial Relations and Disputes Investigation Act is as follows: The two parties, that is the union and management, bargain collectively with each other directly. If no satisfactory or mutually acceptable agreement is reached by that system, the next stage is for the appointment of a conciliation officer who is an officer of the Department of Labour. He confers with the parties in an attempt to get them to reach a satisfactory solution of their differences. If the conciliation officer is not able to effect a settlement, the matter is referred to a conciliation board which consists of a representative of the union, a representative of management or the company and a person classified as impartial as the chairman, either by agreement of the two parties or by appointment of the minister without their agreement. Following upon this, if there is no agreement reached, a strike or lockout may take place. There are, of course, many other social and economic difficulties arising from that situation.

The bill before the house seeks to make some rather major alterations in that particular system which I have just outlined and which has been in effect in Canada for a number of years. I believe the system was initially established by virtue of P.C. 1003, an order in council made during the war and applying to the entire nation. The various pieces of provincial legislation dealing with this matter grew out of that order in council and are almost parallel to this act. One of the changes sought to be made is to extend from two months to three months that period of time before which the collective agreement expires and negotiations may be opened. The thought is that the greater the length of time spent in bargaining before the actual expiry date of the collective agreement, the better the chance that some mutual agreement will be reached before the actual expiry date. Another ancillary part of that is the reduction from 20 to 10 as the maximum number of days which must elapse before collective bargaining starts following notice by one or other of the parties.

One of the major principles contained in the bill is the elimination of the conciliation board step in the negotiations, to give to the conciliation officer the powers and authorities which a conciliation board has under the act and to extend the conciliation officer's initial period of time from 10 days to 30. This gives the conciliation officer the power and authority of a conciliation board and more time in which to attempt to bring about a settlement between the parties. A new provision in here is the establishment of a period of 21 days within which either party to the collective bargaining must indicate to the minister whether or not it intends to accept or reject the recommendations of the conciliation officer. Another principle is that no strike or lockout vote may be taken until seven days have elapsed after the conciliation officer has made his report.

Another new principle contained within this bill is a provision covering the appointment of a person called a mediator who would act in that period following the conciliation officer's report, and following the rejection by either side of the report, and following a strike or lockout vote his period of time for the operation of powers similar to the conciliation officer would be 14 days. There would be an allowance of an additional seven days before a strike or lockout could take place. The bill also provides for the acceptance of a system of negotiation differing from that set out in this bill, where such system is mutually agreeable as between the two parties and is approved by the labour relations board.

Now, I should like to deal with the reasoning behind some of these changes. Negotiations between union and management now are carried on under this act and similar provincial legislation. The present system leads to a great deal of delay and procrastination. The conciliation procedures set out in

the law have been altered over the years by union and management and, in fact, are still undergoing alteration in so far as the use of them is concerned. I know that many instances both union and management, depending on the circumstances, will use the conciliation procedures contained in this act, not for the purpose of collectively bargaining in good faith but for the purpose of delay. I know of instances where union and management depending on the circumstances, will virtually refuse to make any concession or come to any agreement at the first stage of negotiations hoping when they get before a conciliation officer they may get a better understanding of the position of the other party. Likewise there is delay and procrastination before the conciliation officer and a refusal to bargain in good faith in the hope of getting before a conciliation board and the hope that the board will make a report which will be beneficial to one or the other.

Again, in negotiations which may take place before the conciliation board there may be relatively little give and take. We find that when this approach is used to collective bargaining, as it has been used in a number of instances, all the parties are doing is spending the 60 or 70 day period allowed in the act in consolidating their position, building up their relative forces and, in effect, delaying themselves into a condition where a strike or a lockout becomes virtually an assured fact.

We hope, by virtue of the bill before the house, to place emphasis on collective bargaining in good faith. We hope to indicate that if we can eliminate the conciliation board step, which in many cases is superfluous and give those powers to the conciliation officer, we would eliminate one of the steps used for procrastination by the parties. Second, the report of the conciliation officer would be in the form of recommendations such as are now made by the conciliation board. A definite limit would be established as to the length of time which must elapse before the parties indicate whether or not they intend to accept or reject the report. We allow then for a strike or lockout vote. There is also an allowance for a so-called cooling-off period of approximately another three weeks at least during which time the services of a mediator may be engaged.

From past experience we feel that any conciliation officer who is worth his salt at all should be able, in a 30 day period of meeting with union and management separately and collectively, to get their points of view about the differences. If he then makes a report recommending a basis of settlement he will make a recommendation, wherever he possibly can, on some point which he thinks is mutually acceptable, even though the parties may not have said so themselves. This is the value of a conciliation officer, conciliator or mediator—to glean from the parties those points on which they are willing to compromise. Then we allow for the strike vote, the cooling off period, and the mediator stepping into a situation the background of which has been to promote collective bargaining, a background in which the conciliation officer has the authority, power and ability to assess the merits of each case and, of his knowledge, make recommendations. Then, if those recommendations fail to provide a solution of the difficulties, in the light of that background the mediator will have a much better chance to bring about a solution of the problems before a strike takes place, rather than giving his assistance after a strike or lockout is in effect, as is the case now.

We also propose a system of collective bargaining different from that contained in the bill, where such is mutually acceptable to the two parties in negotiations, and where there is approval by the labour relations board. We say that the particular system we envisage, the system provided for at present, or any other system of collective bargaining will not apply in toto in all possible sets of negotiations which now take place.

For the sake of argument, I can say that a certain system of negotiation might be of no use at all to the railway industry. Certainly the system in existence now is of relatively little use because in past years when negotiations went on for months and months, and even stretched into years, we found the parliament of Canada being asked to step in and substitute our opinions and legislative decisions for the negotiations themselves.

We think, again for argument's sake, that if the railway unions and railway management sought to work out a mutually acceptable, satisfactory system of bargaining which suits that industry, they should be allowed to use that system notwithstanding the provisions in this particular act, so long as the labour board has knowledge of that system. We may find that the same thing exists in other cases, and we should think in terms of that and not of enforcing upon management and union a system of collective bargaining which may hamstring them and prevent them from reaching satisfactory solutions. What we propose is to offer them some alternative system whereby a solution can be mutually developed, a solution which is acceptable to them, which meets the needs of that industry, meets the customs of the union and management, and which will have a better chance of bringing about a collective agreement.

To sum up, we hope by the proposed amendments to the bill to place the emphasis on bargaining in good faith. We seek to ensure that good faith will be exercised to the fullest possible extent by provision for a conciliation officer, allowing for the strike vote, the cooling off period and the provision of a mediator. We believe that by such a system, or by a mutually acceptable alternative that might be reached by union and management, we can to a measurable degree cut down the long series of negotiations that take place, cut down delays in industry and the time consumed between the opening of negotiations and the signing of a final settlement.

We also think that by doing so we shall greatly reduce the area within which both union and management now operate for the purposes of delay and procrastination to meet the needs of one side or the other. By reducing that area, coupled with placing the emphasis on collective bargaining in good faith, we think we shall promote the signing of more collective agreements with less difficulty. By doing so we would help prevent the strikes and lockouts which might develop, and reduce the number of strikes and lockouts which now take place.

Mr. Arthur Maloney (Parkdale): I am glad, Mr. Speaker, to have this opportunity to speak on the important matters raised by the hon. member for Skeena in Bill C-5, which he has just explained to his colleagues in the house.

I have read the amendments that he proposes to the provisions contained in the Industrial Relations and Disputes Investigation Act, studied with some care the supplementary notes which accompany his suggested amendments, and listened with attention to the explanation he has just given us. I must confess that the amendments he proposes find favour at first blush with me, but at the outset I must say I only hesitate to give the proposed amendments stronger support because I feel the house would be ill advised to cut off one of the steps in conciliation procedure without at least consultation being had by the Minister of Labour with representatives of the Canadian labour congress and with representatives of management.

It is better that the bill proposed by the hon. member be considered by the Minister of Labour. It is better that the hon. member's recommendations, and the ramifications of carrying them out, be considered by persons who are more qualified than either the hon. member, myself, or any of us here, to determine the advisability of changes such as those he suggests.

In saying that I do not mean to minimize the weight that ought to be attached to the opinion expressed by the hon. member who, down through the years, has made considerable study of the matter; but I would feel happier in confirming my own predisposition of sympathy towards what he recommends had I the benefit of knowing what they think, and of having the viewpoint of persons of the type I have described.

The purpose of the legislation now existing is directed towards conciliation procedures. The principle upon which the legislation rests was defined in a very interesting paper read by Mr. Bernard Wilson who, at the time, was assistant director of the industrial relations branch of the Department of Labour and has since become the director of that branch, to the 14th annual conference of the Canadian association of administrators of labour legislation held in Regina in 1955. He said that the principles upon which presently prevailing compulsory conciliation procedures are founded are threefold. First of all he stated:

> (1) The public should not suffer from hasty or ill considered strike or lockout action.
>
> (2) There should be no strike or lockout pending compulsory conciliation.
>
> (3) Public opinion, informed through the investigation and report of a board of conciliation, would exert an influence toward reasonableness in labour relations.

What I find significant about Bill No. C-5 and its presentation to the house by the hon. member for Skeena (Mr. Howard) is that he recognizes the need for the retention of compulsory conciliation procedures but is advocating changes that would have the effect of eliminating one of the steps that up until now has formed part of those procedures. My reason for saying this is that the hon. member says, in the explanatory notes of the bill:

> This bill proposes to improve the above system of collective bargaining in the belief that it is unduly time-consuming and that the stages of negotiation repeat themselves in certain aspects with the resultant tendency to promote industrial unrest. The method used is to eliminate the conciliation board and give its authority to a conciliation officer.

So that the hon. member would eliminate step No. 3 in the presently existing conciliation procedures. The fundamental principle upon which the conciliation procedures rest, as indicated by Mr. Wilson in the extract I mentioned a moment ago, is to avert the cause of a strike that would cause inconvenience and hardship to too large a number of people. The right to strike is never, surely, questioned by anyone in this house. It is true it is a powerful weapon, but it has been used on many occasions in the past in this country

and on this continent to advance the cause of the workingman, and a just strike deserves public support.

A strike, it is true, is capable of causing much hardship and much inconvenience, not only to the workers themselves who go on strike but to other persons who are not even remotely connected with the strike. One of the tests of the justice of any strike is, I suppose, the extent to which steps have been taken prior to its institution; the extent to which preliminary procedures have been exhausted and have been conducted by the parties in a spirit of good faith.

The present conciliation procedures—which are only briefly mentioned in the explanatory notes—are more thoroughly dealt with by Mr. Wilson in the paper to which I referred a moment ago. He describes the procedural stages as being four in number and says they are these:

(1) Direct negotiations by the parties. This is basically a collective bargaining procedure but is considered a conciliation stage here because it must be completed before conciliation can be requested. In my view, there is nothing to prevent the parties from being mutually conciliatory; unlike mediation, third parties need not be present.

The hon. member for Skeena does not suggest that stage No. 1 as it presently exists be eliminated. Stage No. 2, according to Mr. Wilson, is as follows:

The appointment of a conciliation officer (in nearly all provinces), upon application if direct negotiations have not resulted in agreement.
(3) The appointment of a conciliation board, if a settlement has not followed from the appointment of the conciliation officer.

It is stage No. 3 that the hon. member recommends we should eliminate. Stage No. 4 is not part of the legislation but is part of the prevailing practice. It is described by Mr. Wilson in his paper as being:

Post-conciliation board conciliation, in which industrial inquiry commissions, chief conciliation officers, deputy ministers and ministers of labour seek to bring the parties into agreement on the basis of the recommendations of the conciliation board or on any other basis possible.

Again, the amendments proposed to the existing legislation by the hon. member would not eliminate this present practice from the procedure that is followed. It is of interest, I think, to give some brief consideration to the extent to which strikes have been avoided in the past with reference to the various stages presently existing in the conciliation procedures.

I am informed that if we examine the statistical data with reference to federal projects for the fiscal year 1959-60, some 76 per cent of disputes within federal jurisdiction were settled at the conciliation officer stage of the procedures now prevailing in the act; that is to say, a little over 75 per cent of the disputes terminated on the desk of the conciliation officer.

The figures apparently would indicate, too, that the average settlement over a period of about 11 years is 62 per cent. In 1959-60 the figures that have been made available to me would indicate that out of 91 disputes dealt with to finality in that period, 69 were settled and the remaining 22 either went before a conciliation board, lapsed or were in some other way settled.

Apropos the same branch of my subject matter, that is to say extent to which disputes have been settled with relation to the various presently existing procedure stages, Mr. Wilson in his paper had these comments to make:

To illustrate statistically, there are a great number of disputes settled by the direct collective bargaining negotiations provided for by collective agreements or by legislation. No figures are available but they would amount to all agreements signed in any period less those in dispute. Figures are available with respect to settlements in the remaining three stages of conciliation. For instance, of 46 railway disputes assigned to conciliation officers over an eight year period, 21 of them were settled without requiring boards of conciliation. Of 24 of the remaining disputes that were submitted to boards, 12 of them were settled directly by the boards. Eight of the 12 remaining disputes were settled by post-conciliation board intervention. One dispute lapsed and strike action was taken in three disputes.

It will be seen that, of 46 disputes, only 3 resulted in strikes; that it is the final result that matters and not the settlement failures along the way.

The main criticisms that we hear expressed of stage No. 3 of the present procedures, the stage which the hon. member for Skeena recommends that we should eliminate, is first of all the expense of the conduct of these conciliation boards. Then second, and perhaps just as important, is the allegation that the personnel who constitute the boards are invariably—as I read it somewhere—called partisan special pleaders whose object is not to settle the dispute at all but to have the point of view of their party to the dispute prevail with the chairman of the board, and that in the result the chairman carries on under pressures being brought to bear upon him on both sides that render any possibility of worth-while decision remote and unlikely.

I think there is a good deal of merit in many of the criticisms that are voiced about this stage of our present conciliation procedure—the expense, the partisanship of those engaged in it, though one has every sympathy with the points of view put forward by those who appear at these boards. These are factors which cause me to wonder about the advisability of retaining the conciliation board as one of the steps in the present procedure.

The hon. member for Skeena (Mr. Howard) in his explanatory note and, I think, in his comments a little while ago, said that the conciliation board procedure, prolonging as it does the over-all conduct of the procedures generally, had a tendency to create industrial unrest. I heard some criticism of that point of view; someone stated that the hon. member was making the mistake of assuming that by cutting off the procedure he was cutting off the dispute. I am not sure this is really a fair criticism of the objective of the hon. member in the presentation he has made to the house.

There are features of this bill, as I have already intimated, which commend themselves to me. I only refrain from giving them stronger support because of my desire to be given the opportunity to study the bill with the guidance of persons such as the representatives of the Canadian labour congress and of Canadian management, who are better qualified than either myself or the hon. member, in my opinion, to advise the government what kind of changes in the existing legislation would work out in the most satisfactory manner. I am not satisfied that I fully appreciate the ramifications which would follow if we were to agree without further guidance or study to the recommendations made by the hon. member, particularly with regard to the recommendation that we abolish the procedures presently provided for before the conciliation board.

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, just the other day I had the opportunity in this house to make mention of the fact that one of the things which particularly blessed our young country was the fact that being a country in the new world we have avoided much of the bitterness, let us say, of the cleavage, which existed years ago between owners, workers, employers and employees in the old world. I think this is one of the remarkable and happy things which has underlined our life in Canada. This has been made possible, I feel, by the farsighted attitude of both major parties inside and outside the House of Commons in regard to labour relations. Nobody realizes better than the present Minister of Labour (Mr. Starr) the impossibility of directing a country like Canada today *sans la grande coopération des employeurs, des employés et des gouvernements à tous les échelons.*

I should like to say also, before getting into the details and into the pith and substance of the discussion this afternoon, that Canada has also been blessed in the main, by responsible union movements and responsible management. I think it is good that we should underline this fact in relation to Canadian management and unions. It is something that we often take for granted, but it is something of which I feel we should, nevertheless, be most proud. The previous speaker said he thought this bill should not be passed before it is discussed in detail with representatives of management and labour. With this condition I am in full accord. I am similarly in accord with many of the proposals he placed before us for our consideration.

I do not want to place too much emphasis on my next remark, but I cannot help making it, because I think it demonstrates the fundamental difference in approach between those who sit on my right, those who support the N.D.P., and those who support this government. The hon. member made the remark that he thought a provision in this bill would help guarantee good faith. I know he was sincere in his contention, but I also know that is one of the fundamental differences between members of my party and members of his. I do not believe you can legislate for good faith.

Mr. Howard: The hon. member must have misunderstood me or else I did not make my meaning clear. I did not say that by legislation we could guarantee good faith. What I said, or what I intended to say, was that we should place a system of negotiation into effect in which good faith would be allowed to play its full role.

Mr. Grafftey: I certainly stand corrected. I know the hon. member placed his contention before the house in all sincerity. However, I re-emphasize that he and members of his party perhaps place too much emphasis on the good faith which can be created by government legislation. That, to me, is one of the errors which runs through the hon. member's whole bill, namely that by changing procedural details you can increase or decrease good faith among the parties involved.

Mr. Howard: Again, the hon. member is not interpreting me correctly.

Mr. Grafftey: I should like to make two points. Broadly speaking, I think the sponsor of the bill is in fundamental error in his understanding of the actual provisions of the present legislation. I think he is also in fundamental error with regard to the effect which the provisions of his own bill would have on the present legislation. As the hon. member who has just spoken pointed out, although the bill only talks about three stages we have, in actual practice, four stages of conciliation. There is the stage of conciliation which can, and often does, follow the finding of the conciliation board. What the hon. member has assumed, wrongly I think,

is that many of these cases, or even a large percentage of them, go through all the stages of conciliation. I am referring to his assumption that they go through all these four stages when in point of fact they do not. A good many of these casess touching upon the federal jurisdiction are solved long before they get through the greater part of these stages. As was mentioned, and I repeat it, only a few actually do go through all four. In 1959-60 some 76 per cent of the cases in federal jurisdiction were settled by conciliation officers.

It is also much more important to look at the proceedings as a whole than to look at any step of the proceedings at any particular time.

In considering this legislation we should consider the possibility of the Department of Labour introducing amendments to the law which would give the conciliation officer a discretion as to whether or not a hearing should actually go before the conciliation board. I think this will come about before too long. This is desirable and wise.

The discussion today in my opinion has been of a useful nature but before commenting further on its value let me say this. The provincial authorities in Alberta and British Columbia have instituted action respecting conciliations along the lines of the bill presently before us and although we have no statistics on this point it is my impression that the experience in those provinces has been that strikes are not settled more quickly than in the federal field under present procedures.

Another point should be emphasized. It is one of the announced purposes of the present bill to avoid delay. I am sure it is the hope of the sponsor that any legislation arising from this bill would deal with disputes that are being stubbornly contested by actually cancelling, so to speak, one of the existing steps of procedure. I do not feel this will be helpful in reaching that objective. As was so ably pointed out by the previous speaker, the sponsor of this measure appears to feel that if we cut off the procedure we will cut off the dispute. Actually, the result will be that an increased number of disputes will lead to strike action whereas under the present act there are few strikes. It will not be of good service to labour relations if the legislation is designed so that the parties to a dispute may disagree more quickly. In fact, narrowness will be promoted rather than lessened if the bill as presently drafted becomes law.

For the purposes of general discussion of this vital subject I wish to place on the record some views about which more can be said for than against. I offer the following suggestions for the improvement of present procedures:

1. Eliminate frivolous proceedings by having the parties bear the cost of conciliation as they now do arbitration.

2. Endeavour to eliminate narrowly partisan board members by a panel arrangement chosen in advance by labour and management.

3. Place legislative emphasis on the power of a conciliation officer to recommend against the appointment of a conciliation board in certain situations.

4. Place a time limit in the legislation beyond which a strike or lockout might take place even if the conciliation procedures are not completed.

5. Follow the administrative practice of avoiding or refusing post-conciliation board intervention wherever possible.

6. Give conciliation officers and board chairmen more tactical guidance in meeting disputants separately and together, stressing with board chairmen the fact that settlements are preferable to recommendations.

7. Develop board chairmen in greater numbers and from all professions. As part of their development, provide them periodically with a wide range of reading material in labour relations.

8. Present periodically an organized and spirited exposition of the values of prevailing conciliation procedures, in order to offset biased or unjustified criticism.

As I indicated earlier, I advance these points for general discussion and consideration. I would be the last to say that in a field so vast as that of labour relations each of these proposals has been implemented but I feel any fair minded, objective member of this house would agree that under the guidance of the Minister of Labour we have made great advances in relation to the points I have just outlined. I would agree that much still remains to be done and I have mentioned the desirability and possibility of the Department of Labour introducing amendments to the existing act which would have the effect of altering the role played by conciliation officers.

I do not feel it would be wise to pass the bill now before us without first calling in for consultation representatives of management and labour as was proposed by the speaker who preceded me. We must consider the fact that the sponsor of this measure is attempting to legislate with respect to good faith by introducing procedural changes. I differ with him in respect of his view that this measure will achieve the desired result through eliminating one of the steps of the process. I again remind hon. members of the

experience in those provinces that have incorporated this idea in terms of settling strikes as compared with the experience in the federal field under present practices.

Mr. Howard: British Columbia does not have this form of procedure on its statute books.

Mr. Grafftey: For the reasons I have outlined I must oppose this bill. I am able to say, however, that the points of view introduced by those hon. members who have participated in the debate have been helpful.

At the outset of my remarks I commented that we in Canada should be proud of our experience in the field of labour relations. Modern developments and improved methods should be reflected in our legislation. It is of importance today that legislation of the type under discussion should be modernized and kept abreast of the times. We in the new world realize the importance of co-operation between management and labour and all levels of government. Bipartisan discussion such as we have had this afternoon assists us in reaching this goal. I do not for a moment feel that we disagree about the desirability of achieving the aims sought to be achieved by this bill but I believe there does exist a sincere and definite disagreement concerning the procedural methods by which to achieve the desired end. The remarks of the previous speaker were helpful and in the same way I hope my own observations have been helpful in clarifying what we recognize to be a most important question.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I should like to take some time of the house to express my views on this most interesting bill. I notice there are only ten minutes left of the hour assigned for discussion of the measure. I shall endeavour to confine my remarks so it will be possible for the house to take a decision on the bill if it so wishes.

Mr. McCleave: A new form of closure.

Mr. McIlraith: No, Mr. Speaker, I am quite opposed to closure. I shall curtail my remarks so that the house may take a decision on the bill.

Labour relations are largely a provincial responsibility. It is true that the federal responsibilty in this field embraces an area which involves a relatively small proportion of the total number of workers in Canada. However, that is not the test of the importance of federal labour legislation. It seems to me that federal labour legislation has an importance far beyond that number of employees whom it directly concerns and that it must, in my view at least set the example for good labour legislation in the country.

When the 1948 legislation was passed I for one had high hopes that sections 62 and 63 of that act would find favour with the provinces and that the legislation would prove to be of such value that the provinces would seek to avail themselves of opportunities given under those two sections. However, I have been somewhat disappointed in that respect. Perhaps the provinces are right in relying on their own legislation. At the moment I am not passing judgment on that matter or expressing an opinion on it.

The history of this legislation is rather interesting. The 1907 act, which was the forerunner of the present act, was in relation to its time a model of legislation. It became out of date and was not amended perhaps as quickly as it should have been amended. Then in the war years the orders in council on this subject represented distinct steps forward. They were good in relation to their times and the circumstances of their times. The 1948 bill which is now the existing act was an excellent improvement.

For my part, I should like to see this legislation closely examined again so that it could be updated in order to meet the requirements of the present day. The rapidity of technological development in the field of industry has placed on management-labour relations strains that were not in existence a few years ago. Yet in this last decade since that development has taken place we have not kept pace with it and have not kept our legislation in line with the added requirements; we simply have not modernized it as it should be modernized. To the extent that the hon. member in this legislation has sought to modernize the legislation to meet that kind of changed requirement, I think it is wholly desirable. For my part I should like to have the opportunity of going through the bill in a detailed way, as is proper in committee, in order to develop those views more fully.

Over the years, when labour matters have come up for discussion, it seems to me that the debates in the House of Commons on this subject have tended to support either one point of view or another as to labour or management and that in doing so hon. members have perhaps tended to ignore the role of government in this field and not to devote enough attention and argument to the question of how government could improve the legislation in order to make sure that it was the most perfect legislation that it was possible to draft for the purpose of meeting the existing needs.

Sometimes when I hear some of my colleagues speak in the House of Commons and when I read of the exhortations of the Minister of Trade and Commerce to management or to labour, I wonder whether they have forgotten the role of government in this field. I refer to the role of government in perfecting the legislation. One of the things that is needed at the present time is speedier conciliation and an examination of our present processes for conciliation which in principle are very good and in which I as a Liberal member of the House of Commons with knowledge of the history of this act can take some pride. However, they should be examined and should be modernized.

I am not clear as to why the sponsor of this bill seeks to remove the conciliation board and to replace it by a mediator. I can well understand that process being applied as to a large segment of industry but I cannot understand it in all cases. As far as I am concerned, there is requirement for clarification on that point. For my part I should like to see the conciliation board retained in a slightly more precise or clear form than is indicated. The mere substitution of a mediator is something which I do not think accomplishes the purpose the hon. member is seeking to accomplish. However, to the extent that it does so, and with the changed time limits he proposes, it would make for speedier conciliation in a large sector of the field it occupies.

At the outset of my remarks I said that I would not speak until six o'clock but that I would give the house an opportunity of taking a decision on this matter. I therefore because of the time resume my seat.

Some hon. Members: Question.

Mr. E. J. Broome (Vancouver South): I thank the hon. member for Ottawa West (Mr. McIlraith) for the very short time he has left me to speak on this most important bill. Evidently he has the idea that there are others in the House of Commons who have ideas on this matter. I can well agree with the hon. member for Skeena (Mr. Howard) in the recommendation he is making for allowing collective bargaining to start from two months to three months ahead of the end of the agreement and in his recommendation to reduce from 20 days to 10 days the time when the collective bargaining may start. However, I agree with the hon. member for Ottawa West in this respect. He has taken out one stage, namely the conciliation board and in its place he has put a mediator. He is changing the name. He is making a change from a three man board to a one man mediator. He seems to ignore the fact that the conciliation officer is one who does not make recommendations and who is a mediator. He would destroy the usefulness of that conciliation officer if that officer were put in a position of making recommendations which might go against the wishes of the parties for or with whom he would have to be acting.

Mr. Howard: He can do it now.

An hon. Member: Six o'clock.

Mr. Speaker: The hour for the consideration of private members' business having expired, the house will resume consideration of the business which was interrupted at five o'clock.

SUPPLY

The house in committee of supply, Mr. McGee in the chair.

DEPARTMENT OF LABOUR

Special services—

613. Special services branch including the promotion of a program for combating seasonal unemployment, the organization and use of workers for farming and related industries and assistance to the provinces under agreements entered into with the provinces by the Minister of Labour with the approval of the governor in council—further amount required, $90,000.

614. Payments in accordance with terms and conditions approved by the governor in council to provinces and in respect of Indian bands under the municipal winter works incentive program during the 1961-62 and 1962-63 fiscal years of amounts not exceeding one half of the cost of labour incurred in the period from the 15th day of October, 1961 to such day in the fiscal year 1962-63 as may be determined by the governor in council; and to authorize payments in those fiscal years to provinces in respect of previous municipal winter works incentive programs in accordance with terms and conditions approved by the governor in council, $40,000,000.

The Acting Chairman (Mr. McGee): It being six o'clock I do now leave the chair.

At six o'clock the committee took recess.

(Translation):

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Deschatelets: Mr. Chairman, when this debate was interrupted at five o'clock, I was just saying that the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) had asked the Minister of Labour (Mr. Starr) for a grant for the construction and maintenance of a technical school in his riding. I do not know whether he will get it, but if he does—

Mr. Pigeon: Mr. Chairman, on a point of order, I did not ask for a grant. I only said that under the government's policy, the latter pays 75 per cent of the building costs of a training school. I did not ask for a grant.

Mr. Deschatelets: Mr. Chairman, whether it be a grant or a subsidy, if the Minister of Labour complies with the hon. member's request, I trust that the latter will thank the

Quebec government for it, because such a request would not have been possible under the Union Nationale which has always refused those grants and subsidies.

However, I do not intend to lose more time in comments on the speech made by the hon. member for Joliette-L'Assomption-Montcalm—

Mr. Pigeon: I answer him—

Mr. Deschatelets: I wish to deal with the item under consideration as objectively as possible. I intend, of course, to deal with it in the light of the serious problem it is supposed to solve.

First of all, Mr. Chairman, before asking ourselves whether or not this winter works program can be effective in view of our serious unemployment situation, we must determine exactly what situation the program is supposed to cope with.

I should like to read again into *Hansard* the figures which were first issued by the dominion bureau of statistics to the effect that there were 349,000 unemployed in Canada as at November 30, and 413,000 at the end of December.

I have said previously in this house that D.B.S. figures are necessarily rough figures only because they are not based on complete sampling.

The minister will recall that I wrote to him around December 15 to enquire how many unemployed were drawing unemployment insurance benefits as of November 30.

(Text):

I wish now to thank the minister for his prompt reply. This letter is dated December 21, 1961 and is addressed to me by the Minister of Labour. It reads as follows:

The information which you sought in your letter of December 15 regarding persons drawing unemployment insurance benefit is as follows:

Active claimants as at November 30, 1961	
Atlantic	49,168
Quebec	107,561
Ontario	115,429
Prairie	61,285
Pacific	52,521
Total	385,964

Now, if we compare this figure of 385,964 with the figure released by the dominion bureau of statistics of 349,000 for the end of November, we come to the conclusion that the figure released by the bureau of statistics is surely incomplete. I should like an explanation from the minister. No doubt, he will be able to reply to my question at the end of this debate.

On January 29, as reported on page 293 of *Hansard* the hon. member for St. Henry asked the following question:

According to the most recent statistics, how many unemployed are in receipt of unemployment benefits?

The answer given by the parliamentary secretary to the minister was as follows:

Mr. Speaker, a record is not available at any given time indicating the number of persons actually in receipt of benefit since payments are made at varying intervals in the case of postal claimants and personal payments at local offices.

At the end of this debate, Mr. Chairman, I should like the minister to explain why it was not possible to give the hon. member for St. Henry the number of unemployed drawing unemployment benefits at the end of December when it was possible to give those figures to me on December 21. I should like also to ask the minister, from now on, around the 20th of each month when he gives us the figures from the dominion bureau of statistics, to give us the figures for unemployed persons drawing benefits so that we will have a more complete picture of the situation.

(Translation):

Mr. Chairman, the figures I gave a moment ago show clearly what the situation is. It is serious, because of all its implications, for the families of those unemployed workers.

We can now wonder what is the government's stand on this issue, not only on the problem that has confronted us for four years, but the one we face today. The government is again submitting to us the only measure directly meant to solve the unemployment problem, namely the winter works program.

The first complaint I have to make about the government stems from the very item submitted by the minister for our approval; indeed this measure put before us today deals with seasonal unemployment only.

This government has never recognized the national and urgent character of the unemployment problem we have lived with these last four years.

Apparently, the only remedy the government knows is the winter works program. I shall say later what I think of the principle of that program. However, I want to point out that since its inception about four years ago, it has not been expanded enough to meet the problem which has become more and more serious.

I have studied the annual report of the Minister of Labour, particularly the one submitted for the fiscal year ended March 31, 1961. I want to be fair. I want to give here figures that indicate the scope of that program.

First, during the period I have just mentioned, I notice that 2,162 municipalities took advantage of it. Yet, if I remember rightly, there are at least 4,000 municipalities in Canada. I must admit that the largest municipalities took advantage of that program, but I am sure that, had it been made more attractive, a greater number would have participated therein.

I note here that those projects have provided employment for 120,816 persons and that the average employment was for approximately 45 man days. As for the average wages, I think they are a little under $200 per person although I did not calculate them exactly.

I note that the over-all estimated cost of the projects undertaken adds up to $212 million, while the federal contribution in wages adds up to $36 million. That means that the federal contribution to all those projects does not exceed 17 per cent. I think we may conclude here that a nation-wide program was introduced but that the federal government does not assume the share it should and that we let the provinces and municipalities carry most of the load.

Well, Mr. Chairman, I shall concede that these results I mentioned a moment ago are better than nothing, but the government will never convince the Canadian people, and particularly those who are out of work, that it is with such a program that we shall reduce unemployment, especially when it is as heavy as it is now.

However, I am prepared to admit one thing. During the past few years, I have tried to think of all kinds of solutions which could help to reduce unemployment. Among the short term solutions, I still do not know of any program which could bring faster results that the one involving projects undertaken jointly by the federal, provincial and municipal governments.

But if we are to deal efficiently with unemployment, we have to widen the scope of this program, and here I have a few suggestions to make. First of all, I shall endorse some suggestions which were submitted yesterday by the hon. member for Essex East (Mr. Martin).

In the first place, the scope of those projects should be broadened so as to interest almost all the municipalities in this country, where unemployment prevails.

Second, I think that the federal government should shoulder a larger proportion of the cost of salaries. You know that the government contributes 50 per cent of the payroll costs, and I may point out that the province of Quebec adds to those 50 per cent a sum equal to 40 per cent, which represents in all 90 per cent of the payroll costs, so that the municipality needs only contribute 10 per cent, in addition to the cost of materials.

We also know that six other provinces are adding 25 per cent to the federal contribution; accordingly, I imagine that, if the latter, in an all-out offensive, would for instance, decide to contribute 75 per cent of the payroll costs, which might mean an additional expense of $25 million at the most, the municipalities would be able to go ahead in this field, and get much more positive results than we have now.

Here is another suggestion, Mr. Chairman. During a period of national emergency like the one we are now going through with regard to unemployment, the government should consider the possibility of paying part of the cost of materials and of the supervising personnel.

A special fund for loans at a low rate of interest should also be put at the disposal of the municipalities where unemployment is more acute.

The sales tax on materials used during the winter works program could also be reduced, or eliminated. All those steps would be of assistance to the municipalities.

When a high level of unemployment lasts for several years, as is the case at present, and particularly in the areas which are most affected, I also believe that the government should consider the opportunity of extending this program several months a year and, if necessary, to cover the entire year. Such a policy would be in accordance with the recommendation made by the municipalities in May of last year according to a report published by the *Star* in its May 2, 1961 issue, I believe. I quote:

(Text):

> The resolution asked that the program be extended to cover the entire year on a "make work" basis, with the federal government contributing 50 per cent of the total costs involved for such work from June 1 to October 15.
>
> It asked that during the rest of the year the federal government contribute 75 per cent of the total costs of the winter works program and make prompt interim payments and early final settlement.
>
> The resolution also asked that the federal government provide loans to municipalities for winter works at a reasonable rate of interest—

—and so forth.

(Translation):

However, Mr. Chairman, before adopting such a broad program, there should be, at the

government level, a meeting of the federal Minister of Labour and the various ministers of labour of the provinces, in order that strong action might be taken in an effort to alleviate the situation from which too many of our Canadian families are suffering.

I think the government should remember one thing, which is that Canadians are sick and tired of the half measures taken by this government. I believe that this winter works program, which is being submitted to us again this year, while basically sound, is nothing else but a half measure which does not attack the heart of the problem.

Mr. Chairman, I think there is no other conclusion to draw than the following: we have a winter works program designed to alleviate seasonal unemployment, while what we need is a large scale, exceptional program designed to fight unemployment, which of course is more than seasonal in character.

It has been said and repeated—and the highest authorities have said so—that our citizens were entitled to work, and in this regard may I be allowed to quote what His Eminence Cardinal Leger stated, in a lecture, as reported by *Le Droit* of September 18, 1958:

> A society is not sound if it does not provide for each one of its members the possibility of living humanly from the fruits of his labour.
>
> The right to work is a natural right. It corresponds to the duty we all have of working to earn our living.

Mr. Chairman, when a danger of war threatens, all the forces of the nation are mobilized to safeguard national security. For four years, we have felt the gnawing symptoms of a non seasonal ailment, and once more, hundreds of thousands of our fellow Canadians are now suffering hardship; I am of the opinion that if we mobilized forthwith all the forces of the nation, we could implement a far-reaching program which could not only reduce unemployment but almost completely solve the problem.

If in war time we mobilize the whole nation, we certainly must be willing to pay the cost of such mobilization. The same applies to our unemployment problem. If we want to find jobs for most of the Canadians who are now unemployed, we will have to foot the bill.

For four years, this administration has given evidence that it is prepared to go only half way in this direction. The Liberal party is prepared to pay the full cost necessary to give jobs to the unemployed of this country.

(Text):

Mr. Starr: Mr. Chairman, when I introduced yesterday the items that are under discussion today I gave a pretty clear accounting of the measures represented, the degree of participation by the municipalities, what the results are expected to be and what they are at the moment.

I have listened with a great deal of interest to hon. members who have participated in this debate, particularly those of the opposition. Because of the trend in this debate, which has ranged into all aspects of employment and unemployment; because of the suggestion that this is the government's only remedy for unemployment and is—as was mentioned by the last speaker—only a half measure to deal with the problem of seasonal unemployment as it faces us now; because of the accusation that the government will not recognize unemployment and has not recognized unemployment, and because quite a number of other charges have been made and clarification has been asked for by those participating in this debate, it has become necessary for me to answer in detail. I am sure hon. members would wish an answer in detail so that they may fully understand the position of the government in respect of this very serious problem.

I say at once, Mr. Chairman, that if I follow that course—and I wish to do so—I hope the committee will allow me to proceed beyond the time limit that is allowed in this debate at this time.

The Chairman: Is it agreed that the minister shall have permission to prolong his remarks?

Mr. Herridge: Willingly.

Some hon. Members: Agreed.

Mr. Starr: Thank you very much, Mr. Chairman. Those opposition members who have spoken have said this measure is not good. Of course, they say that about whatever the government is doing. I would point out to this committee that each and every measure that has been put forward by this government for the last three or four years has been described in the same terms by the opposition. Also, practically every measure has been supported eventually by the members of the opposition when the time came to vote on it.

Some hon. Members: Hear, hear.

Mr. Starr: The hon. member for Essex East when speaking in this debate yesterday compared, as he has a tendency to do from time to time, the relative situation in respect of countries in Europe; the unemployment situation as it is represented in percentage terms.

I wish to point out that this comparison is most unfair because only three countries

in the world, the United States, Japan and Canada, use the yardstick that has been set up by the international labour organization for measuring unemployment. The same yardstick was applied recently in Sweden for experimental purposes and they found that the percentage of unemployment was doubled. Therefore I say it is inaccurate to compare our unemployment situation with European countries who do not use the same yardstick of measurement as Canada, the United States and Japan.

Whatever the opposition say in respect of this municipal winter works incentive program, it is not the attitude taken by some 2,200 municipalities of this country, because they are all participating and their numbers have been increasing—

Some hon. Members: Hear, hear.

Mr. Starr: —so that now 50 per cent of all the municipalities in Canada are participating in this program. This program has won the support of the municipalities as a means of alleviating seasonal unemployment in cities, towns and districts across this country. I should like to refer—

Mr. Denis: After four years.

Mr. Starr: The hon. member for St. Denis says, "After four years". The hon. member and his colleagues did so much harm to this plan when it was first introduced that the municipalities were hesitant to enter it, but when they saw how well—

Some hon. Members: Hear, hear.

Mr. Starr: When they saw how well it was working out they disregarded—

Mr. Denis: Mr. Chairman, may I—

Some hon. Members: Sit down.

Mr. Denis: May I ask a question of the minister?

Some hon. Members: No, sit down.

Mr. Starr: When they saw how well it was working out, they discarded—

Mr. Denis: May I ask a question? Is it not true that these improvements in the winter works program up to date are improvements which were asked for by members on this side of the house years ago?

Mr. Starr: That, of course, is the official position taken now but, on the contrary, these were not the recommendations of the opposition; they were the recommendations and the requests of the Canadian municipalities who from time to time review this program with us and make suggestions. We implement those which come within the scope of the program and, as a matter of fact, we have widened the scope of the scheme to an extent which most hon. members will recognize. In spite of all the criticism and all the debunking of this program in which the opposition has been indulging during the past four years, the municipalities have disregarded that attitude. They look upon this as being a very successful and helpful program and consequently they are participating in it to the extent which I have indicated.

I wish, now, to turn to *Hansard* and deal with some of the remarks which were made yesterday in this debate. The hon. member for Essex East, referring to figures on unemployment issued by the dominion bureau of statistics and released on or about the middle of each month with respect to the previous month, said:

> Normally we would have received that figure—

—he was referring to a figure for January 31—

> —some time around the 20th of the month.

That point has no substance at all, because the figures which are released by the D.B.S. refer to a sampling taken in the middle of the previous month. The hon. member went on to say:

> Perhaps before this debate is over the minister might explain why we have not received it as yet.

Well, the hon. member for Essex East—and I am sorry he is not here today—knows very well, because he was parliamentary secretary to the minister of labour that these figures are not released until the date when they are supposed to be released, and that this date ranges anywhere between the 18th and 24th of the month. The hon. member said I could easily have given the committee an interim report, but there is no interim report at all. This just goes to show the type of argument to which the official opposition is indulging—arguments not based on facts of any sort.

The hon. member for Peterborough made a few remarks yesterday, and among other things he said, as reported on page 412:

> I am sure all of us are extremely happy to find that the percentage of unemployed has been going down.

At any rate that is an admission. Then the hon. member went on:

> This does not result from anything this government has done. They have no reason to take any credit for this fact.

Well, I am prepared to prove to the committee that this reduction in unemployment is directly attributable to the measures we have put into effect over the past number of years. The hon. member went on to say:

> After all, it was only last winter that this government said you could not do anything about unemployment.

I intend to go into detail on that aspect of the subject to prove that this government has recognized unemployment and the importance of dealing with it ever since we took office on June 21, 1957. Then the hon. member went on to say:

> Management and labour must sit down together, but who is going to provide the opportunity?

May I remind the committee that we called a meeting upon the insistence of those who said the same thing not too long ago. We called together 15 of the leading industrialists of this country representing various important manufacturing industries. We called in 15 top labour leaders and we said: we have brought you together; let us see if you can settle your differences and thus help the economy. But there has not been another meeting—

Mr. Pitman: Has the government called another one?

Mr. Starr: We did call one. These are grown men, men holding positions of responsibility in the economy of this country. Not only that, but since then they have formed joint committees including the president of the Canadian labour congress and the president of the Canadian Manufacturers' Association for the purpose of determining when another meeting should be held. We called these people together. We did our duty because it was insisted that we should have the original meeting. I do not know what the hon. member for Peterborough thought these people would be doing. Possibly he thought they would be advising the government on economic problems. Far from it. This meeting was called so that the leading men in industry and labour might be able to settle some of their difficulties in order that the economy might be capable of rapid progress in the future.

The hon. member for Peterborough went on to say:

> What is wrong with this program is the fact, of course, that it is completely and utterly inadequate for the kind of unemployment that Canada is facing and will face.

Of course, this particular program does not represent all that we are doing. It is just one of the programs that we are introducing, representing some $40 million of expenditure, in order to look after a certain section of our unemployed by reducing the seasonal unemployment with which we are faced during the winter months. The hon. member said later:

> What about technological unemployment? What are we going to do about that?

Has the hon. member not heard what we are doing about that? Has he not heard that we are building some 167 schools across this country to take care of this very problem? The hon. member talks about planning. We are building for the future of our young people. Is that not planning?

Mr. Pitman: You have not seen the problem they have in Ontario.

Mr. Jones: Better than in Saskatchewan.

Mr. Starr: I am sorry the provincial government did not go to the hon. member for Peterborough and take his advice on the kind of school that should be built. However, I think they know what they are doing. They have been doing these things for a long time —long before the hon. member entered the teaching profession. Then he went on to talk about "mass unemployment of 800,000 or 900,000". I do not know where he got those figures. Apparently he is trying to take over from the hon. member for Essex East who has his own statistics. I have never seen figures of that sort. Anyway, the hon. member went on to say:

> We get another winter works program. That is all this government can do—

Mr. Chairman, I intend to spend some time telling the hon. member just what the government is doing, because he is apparently not aware of what is being done; if he is aware of what the government is doing, then he is not telling the facts to the people of this country.

The hon. member for Welland in the course of his remarks attributed to me the statement that unemployment would melt away with the snow. I have never said that. I have been one of those who have resolutely stood by this problem, because I realize the hardship people have to go through when they find themselves out of employment. I have endeavoured to do everything within the capacity and the power of this government to bring about a better situation for these people. I have never said at any time that unemployment will melt away with the snow. To say I have done so is another example of the disregard for the facts in which the opposition has indulged in the course of this debate.

The hon. member for Peterborough says nothing will come of this program—that none of these measures is any good. The only thing that is any good in his opinion is socialism. As far as he is concerned, socialism is the only solution to the ills of this country. He disapproves of this measure—there is no question about that, because his remarks at the end of his speech give a clear indication of his opinion. This is what he said:

> We will watch this go through. We will know it will not be enough. We will know it will provide heartbreak for hundreds of thousands of people in this nation. If this is the measure of activity this government is prepared to take in

dealing with this No. 1 national problem, we have little fear of what the electorate will do when the time of accounting comes at the polls.

I want to remind the hon. member—I know he was not here at the time—that the same sort of challenges were thrown out four years ago.

The Chairman: Order. I know that all hon. members of the committee are extremely anxious to hear the hon. member who has the floor. The only way of doing this is to allow the minister to proceed. I urge hon. members not to interject from their seats.

Mr. Starr: We had the same challenges four years ago. It happens that today is the anniversary of the day when those challenges were taken up. The house was dissolved and an election was held. We know the results of that election.

At page 414 the hon. member for Peterborough is reported to have said:

My fourth criticism, and most serious charge against the winter works program, is that it misleads the people of this nation into believing that this is all that a federal government can do, that this is the sum total of the federal government's duty to deal with the national problem of unemployment.

That is quite untrue, Mr. Chairman. That is not the sum total and this government did not give that indication. This is but one measure. This is one phase of what we are doing. We will continue to do everything that can be done. At this very moment hundreds of municipalities that have participated in this program are awaiting the passing of this item so that they may receive cheques of which they are sorely in need to pay their accounts in respect of this work.

Hon. members of the official opposition speak as though recession had commenced in 1957. Apparently they have forgotten what happened in 1954 and 1955. It might be well to remind them of the remarks made by the present Prime Minister at that time speaking in the debate on unemployment in 1955. If the government of that day saw fit in 1955 to allow a debate on unemployment, surely there must have been a substantial degree of unemployment to justify that debate.

The present Prime Minister as reported at page 2035 of *Hansard* of March 15, 1955 used the following words which I feel are worth repeating at this time:

We do not believe in preaching pessimism; we do not want to see the condition of affairs brought about which will create panic; but we are asking the government to act now—

The Prime Minister on that occasion made it clear that we in the Conservative party do not believe in preaching pessimism. He said we did not want to see those conditions and asked the government to act immediately.

[Mr. Starr.]

In the few brief lines I have quoted from the remarks of the Prime Minister in 1955 is summarized the difference in attitude between the present opposition and members of this party when we were in opposition. We do not believe in preaching panic and pessimism. Obviously hon. members of the opposition do believe in preaching panic and pessimism because they feel it is the only way they can influence the Canadian people and get back into office. I do not believe the Canadian people are gullible enough to be influenced by this false attitude. Panic and pessimism appear to have become the cornerstone of the policy of the Liberal party at this time. Hon. members of that party have no other policy.

In 1955 we asked the government of that day to act. The fact is that the government at that time took no action whatever. The government was not interested in unemployment. Hon. members of the government of that day took the attitude that unemployment was none of their business. Their approach was simply to create a climate in which prosperity could be maintained. Unfortunately, however, they did not succeed in that endeavour, either.

When in 1955 the present Prime Minister asked the government to act, 7.7 per cent of the labour force in Canada was unemployed. Unemployment levels were much higher than they are at this moment. When members of this party in the opposition of that day asked the government to put forward some measure under which municipalities could participate in projects to alleviate the situation the then minister of labour, as reported at page 1608 of *Hansard* of March 1, 1955 said, in effect, "There is no way at all by which the federal government can or should go over the heads of the provinces and deal directly with the municipalities."

This was another enunciation of that great Liberal principle "it can't be done". Mr. Chairman, we have made a success of the program which we asked the Liberals to implement. We did it. We have proved it can be done. I repeat that at that time 7.7 per cent of the Canadian labour force was unemployed.

"We must look at the situation in a calm and dispassionate way." That was the statement of the minister of labour in 1955. The Liberals now say they have all the answers. If you examine the Liberal answers closely they embrace everything that the Conservative government is now doing, item for item. The Liberals now pledge that they are going to educate people in technology and institute municipal winter works programs, but always

bigger and better than anything we are doing. That is the policy upon which they are building their election plans.

Hon. members of the opposition now say that the recession began in 1957. That is their stand. I wonder how they described conditions in 1955. Mr. Walter Gordon is now playing a very important part in planning the affairs of the Liberal party. According to the report of the royal commission on which he served there was a slowing down in the economy as far back as 1949. The Liberals were saved at that time by increasing United States buying which resulted from the Marshall plan and by the increase in defence commitments resulting from the Korean war. In 1954 the recession really set in, in earnest, and they did nothing about it.

Even in the face of mounting recession they kept the economic brakes on. The Liberals did not discover unemployment until 1958 when they found themselves out of office after being in power for 22 years. They were not aware of unemployment in 1954 and 1955 and that, I wish to stress, is when the cycle began. It began in 1954 and continued in 1955. In 1956 there was a short-lived pickup largely on account of increased investments. This had run its course by the summer of 1957 when we took office.

The charge has been made that this government has failed to recognize unemployment. No doubt it was in the course of our failure to recognize unemployment that we called a national conference on unemployment in July 1958. From that conference emerged a number of measures, among them the municipal winter works incentive program. No doubt it must have been in the course of our failure to recognize unemployment that we broadened the terms of the Unemployment Insurance Act. We raised the number of weeks during which people could receive benefits from 36 to 52, introduced amendments relating to married women and men, brought fishermen under the act and made it easier to obtain seasonal benefits. We lengthened that period by an additional two months. It must have been in that action that we failed to recognize unemployment.

No doubt it was also because we failed to recognize unemployment that we embarked upon the most massive program of public housing in Canada's history.

It must have been our failure to recognize unemployment that brought about the special session of parliament in November 1960 for the purpose of bringing forward additional measures to deal with that problem. I might comment also that the performance put forward by the opposition during that session so far as concrete recommendations is concerned was rather pitiful. The government, on the other hand, brought forward some 25 measures designed to stimulate the economy and provide jobs for Canadians. I submit that this is how we failed to recognize unemployment. These are the charges we are hearing today. The actual fact is that from the time we took office we made it clear that we recognized unemployment and that we were prepared to use all the means at our disposal to put Canadians back to work. Already in the summer of 1957, when we took office the signs were there. When we took office unemployment was increasing at an ominous rate. Vast wheat surpluses were piled up on the prairies and the former government told the western farmers there was nothing they could do about it. That matter also has been dealt with by this government. Tight money was in full force at that time—there is no question about that matter—put into effect by the then Liberal government. The former government was still fighting inflation long after any danger from that quarter was over. As a matter of fact, they are still fighting inflation.

I am struck by the qualms expressed by the opposition with regard to the budgetary deficit of the present government. I wish to point out to hon. members that the accumulated wartime deficit of the former government was well over $10 billion. Apparently it could be done in wartime but, in their opinion, it cannot be done in peacetime when the objective is to put Canadians back to work and to get the economy rolling in high gear again. And they call us the party of big business.

Opposition speakers in this debate have not dwelt to any extent on the manpower situation. Perhaps the reason is that in December unemployment was the lowest in five years in terms of the labour force. In this connection I should like to refer to an article of date of January 8, written by Mr. Patrick Nicholson who is a representative of the Thomson papers in the press gallery. Mr. Nicholson said this:

> In the past four years more than half a million workers have been added to Canada's labour force. Jobs have been found for a staggering 430,000 of these up to November last. In contrast, during the postwar conversion period between 1946 and 1950, only 334,000 were added to our work force and only 310,000 new jobs were created, despite the great consumer spending spree of those years.
>
> In contrast again, during the four years 1951 to 1955 which included the Korean armaments boom, only 267,000 new jobs were created in all Canada.

Those are the remarks of Mr. Patrick Nicholson. Mr. Nicholson adds that the past four years have been our best ones since the war when measured by that important yardstick of the number of new jobs created for Canadian workers.

In December 1961, with a labor force totalling approximately 6,500,000 Canadians, more than 6 million Canadians were gainfully employed or 93.6 per cent of the labour force. This meant an increase in the number of persons working of some 465,000 over the figure for December 1956 or practically half a million more.

I wish to make this point as it seems somehow to have escaped the attention of the opposition or at least they are reluctant to talk about it. We have put a great many people to work. The measures put forward by this government have been to a great extent instrumental in reversing the recessionary trend. The solutions which this government has brought forward are those for which they voted in this House of Commons. As I mentioned earlier, they voted for every one of them. Every one of them was not any good, according to them but they voted for them. However they are the measures they are now bitterly attacking.

I well recall Mr. Walter Gordon's announcing on television—I was present on the program—that the most effective solution to our problems would be the devaluation of the dollar. He repeated that statement time after time all during the whole program. I doubt whether he said anything else. He told us that we had only to do this and that everything else would follow. We did it. Mr. Gordon's friends are now criticizing this measure. This is the gentleman who is directing the whole Liberal program. He took over from the hon. member for Essex East. He is evolving the whole Liberal social plan and policy. Now the Liberal party are criticizing what Mr. Gordon said was the only thing to do. Mr. Gordon himself has now come out in favour of a municipal works program. I say to you Mr. Chairman, that Mr. Gordon is just about four years too late. I wish to say this, that a program which could put into motion some $760 million for municipal projects over a four year period is no mere bagatelle, regardless of what the hon. member for Essex East wishes to call it or whether the hon. member for Assiniboia calls it peanuts.

Mr. Gordon and his friends are also saying that perhaps we should embark on a training program in order to upgrade the labour force. They do not seem to be aware of the 167 new schools we are building across Canada or of the facilities we are providing for some 80,000 students at a cost of some $270 million, of which the federal contribution already approved totals some $141 million. I submit that this in itself is quite a program of public works which is going on right at this moment and is providing jobs for people in the construction industry. Perhaps they consider this program to be a bagatelle also. This government has brought into motion and into effective and positive action, a program striking forward on all fronts of economic activity, a program to stimulate the economy and to provide jobs.

We know what would have happened had the situation remained as it was in 1954 and 1955 and had the government adopted the attitude that was adopted then. Had we adopted that attitude the spokesmen for the opposition would have had reason to cry havoc around the country at this time. They would have had something to cry about. Where were the "bold and imaginative" programs when they held office? Where now are the "bold and imaginative" solutions? The boldness and the imagination have been demonstrated on this side of the house during the time we have held power. As I mentioned earlier, they were unable to offer any help to the municipalities. They always said, "It can't be done" and this was their standard answer. There were no concessions for the provinces. It could not be done. They were not prepared to evolve a massive training program to meet present needs. These training programs should have been started many years ago in order to take care of what is happening now to our labour force because of automation and technological changes.

Slum clearance, grants to assist in maintaining our water resources, the opening of the northland, a national oil policy, aid to exporters, aid to small business, tackling the wheat surplus, freeing Canadian enterprise from outside domination, aid to underdeveloped regions, housing on a massive scale such as that implemented by this government—all these achievements were beyond the initiative of those whose policy was based on the principle of standing pat and not rocking the boat.

This government has tackled all these problems. It has tackled every single one of them. It has tackled the problem of unemployment right from the beginning from July, 1957. I do not pretend that all the problems are solved, Mr. Chairman; far from it. However, very positive and active progress has been made.

Indeed, in the midst of preachments of doom and depression, Canadians have retained confidence in their economy and in their country. I want to refer to a recent Gallup poll, Mr. Chairman, which shows that 45 per cent of Canadians are convinced that the standard of living in this country will continue to rise. I assume also that that 45 per cent relates to those who have confidence

in the policies of this government. There are 6 per cent who feel that our standard of living will go down, according to the Gallup findings. Undoubtedly, Mr. Chairman, they have been listening to the opposition members, to the N.D.P. and Liberal members such as the hon. member for Essex East and the Leader of the Opposition. There are 46 per cent who are convinced our standard of living will not go down. Presumably they, too, have confidence in this government's policies.

In this connection, Mr. Chairman, I should like to put on the record a portion of a front page article which appeared in the *Financial Post* of December 23. I quote:

> We have passed from discouraging recession to bright new growth in business activity—The promise now in the economy is a clear broadening of expansion on the base of recovery established in 1961. GNP might top the $39 billion mark for a 6 per cent gain over 1961. So it will be a good year for most firms, a remarkable year for the shrewd few and, for all, perhaps the best chance of doing business since 1956—

The article adds that unemployment remains a problem, which we admit at once, Mr. Chairman, and at all times. Then, the article continues:

> But it would be nonsense to pretend that the federal government has not pushed the process to the advantage of all Canadians by a number of commendable actions.

Amongst those commendable actions, Mr. Chairman, the *Financial Post* lists first, the devaluation of the dollar; second, the export drive and, third, monetary management. This could hardly be called fulsome praise, but it is at least an admission that this government has taken certain steps which have proven helpful to the general economy. I say we can take credit for that. If we have to take responsibility and abuse for something that has not been done, then when something is done I say we have every right to take credit for it.

In that respect, I submit also that this stand compares favourably with the opposition stand that none of the measures for which they voted were measures appropriate to the situation. I might add also that the pessimism portrayed by the opposition has not found echo in the daily press except that part which is the die-hard Liberal press and supports the Liberal party.

These were some of the headlines appearing on December 22 following the third quarter release on national production by the dominion bureau of statistics. The headline in the Ottawa *Citizen* reads:

> Canada gets glad tidings on economy.

Mr. Charles Lynch of the Southam news service went on to say this:

> In almost every sector of the economy except agriculture, things were humming at such a pace during the third quarter of this year that the gross national product rose by 2.7 per cent, the largest quarter to quarter advance in several years—Labour income reflected the largest increase since 1959—

The headline in the Toronto *Globe and Mail* reads:

> Production jumps record 2.7 per cent in third quarter.
>
> Shaking out the last effects of recession, the Canadian economy leaped forward to establish records between July and September—

I did not write this, Mr. Chairman. This article was written by Mr. Bruce MacDonald in the *Globe and Mail*. The Canadian Press reported the economy as moving ahead strongly, and attributed the improvement to rising consumer and government spending. I assume, Mr. Chairman, that hon. gentlemen opposite also read the newspapers but do not pay any attention to them. In one breath they say we have done nothing, and in the next breath they say we have done too much.

We invested, Mr. Chairman, in the municipalities. We invested in the provinces to the extent that the increase in federal contributions to the provinces, by itself, would have cancelled our deficits and would have shown a modest surplus. We invested in the young people of Canada with the largest training program in history. We invested in schools. We invested in universities. We invested in sewage disposal. We invested in urban redevelopment. We invested in the small businessman through the expansion of the industrial development bank. We invested in Canadian research and Canadian export, in the farmer, in the aged, in the war veteran and in the great resources of our northland.

Let us see what the situation is now. The unemployment figure for December was the lowest for any December in five years. Is this cause for complacency? Certainly not, there is no cause for complacency, although one recalls this phrase from Mr. Gordon's royal commission report:

> In a free and dynamic economy in which people are entitled to change their occupations as they choose and to move from place to place and in which there are continually changing products, methods, and consumer demands, there will always be those who are out of work at any given time. This cannot be avoided. It helps to keep the economy flexible—

This is the same Mr. Gordon who says now "We can give full employment." This government believes in keeping people at work. I would point out that average employment in the third quarter was 3 per cent above last year. Non-agricultural employment on the average was 3.6 per cent above last year and the number of men working in the third quarter was 2.9 per cent higher than last year. Manufacturing production in the third

quarter was 5 per cent over the first quarter. Employment in manufacturing industries was 83,000 higher than a year earlier. There were 83,000 new jobs, Mr. Chairman, in manufacturing alone. This is certainly a very welcome improvement.

Employment in the electrical apparatus industry in the fourth quarter, for example, was 7 per cent above a year earlier. Employment in primary iron and steel was up 4 per cent. In shipbuilding, employment was up 20 per cent over last year. I ask hon. members opposite, do they really think that a 20 per cent increase in the number of people working in the shipyards is merely an accident? Do they not think this was the result of action taken by the government, that it had something to do with the subsidies announced by my colleague, the Minister of Transport? The hon. member for Peterborough says that we should not take any credit for these things. I say to you that this is something for which we should take credit because we took action in this regard. This is an example of another investment in Canada and in Canadians.

Two recent developments in the manpower situation are also worthy of note. There were fewer women coming into the labour force and this is related to the fact that more men are working. There were 125,000 more men working this year than last year. There are fewer young people coming into the labour force, with a consequent increase in school enrolment. They are staying in school to complete their education. Finally, in December, there were 180,000 more people at work and 115,000 fewer people out of work. There is evidence that increased economic activity is being translated into more jobs and fewer unemployed.

Now, Mr. Chairman, this government has moved all along the line to correct situations which were in evidence when we took office. These situations were in evidence, as I said earlier, as early as 1954 and 1955. Amongst the problems in evidence at that time were tight money, a wheat surplus, growing unemployment, dropping exports, uncertainty in industry, a labour force where new skills and training were badly needed, with municipalities, the provinces and labour unable to get a hearing at Ottawa.

Since we assumed office we have moved against these problems with positive and effective programs designed to meet the developing situation, and the results of these programs are now beginning to appear. Many of the economic anomalies are now being corrected, with the result that in spite of world wide competition the economy is once again on the upswing. At the same time we have not neglected social measures such as care for the aged, the blind, the handicapped, the war veterans and many others.

Now, in the process of meeting these objectives deficits have occurred but may I say that never in the history of social and economic reconstruction have budgetary deficits accrued for more worth-while reasons than those incurred by the present government. The work we are doing in the labour field, the up-grading of the labour force with the aid of the winter works program in co-operation with the provinces and municipalities, the stepping up of production through co-operation of labour and management in the productivity council are objectives which we shall continue to pursue and these, along with many other measures in the government's economic program, will provide a stimulus to the economy and employment for men and women in Canada.

The situation in the latter part of 1961 has been increasingly hopeful. The upward trend in economic activity, which resumed in the second quarter, has gained momentum as the year progressed. In the third quarter the gross national product, seasonally adjusted, increased by 2.7 per cent and this was the largest quarter-to-quarter advance in several years.

It is also worth noting, Mr. Chairman, that this gain was almost wholly accounted for by an increase in physical volume of output. Prices remained stable during the quarter and in this connection I would refer to the Montreal *Gazette* annual commercial review and forecast, published on January 13. The leading article is headed as follows "Upswing reflects rising physical volume". The subheading reads:

> Extremely easy monetary policy is causing no forebodings while devalued dollar stimulates domestic production.

In that sentence is summarized the twin aspects of monetary policy which is proving both beneficial and stimulating to the economy at the present time. I shall just quote one sentence from the article which follows:

> For the first time in post-war history, the economy was launched upon a period of growth without the usual accompaniment of price inflation.

I would point out that the third quarter gain in output raised the physical volume of production to a level 3 per cent above the first quarter of 1960. In the goods-producing industries the quickening tempo of expansion led to increased output of 3.5 per cent in the third quarter. The strong expansion which has been marked in the service industries continued in evidence at a slightly diminished rate of 1.5 per cent. The rise in goods-producing industries is particularly encouraging because this has been one of the soft spots in every economic downturn.

Particularly large gains were recorded in the motor vehicle industry, which I am sure will be a source of satisfaction to a great many people in my riding of Ontario and in those of the hon. member for Essex East and the hon. member for Essex South, because employment in that industry is up by 6 per cent.

Another encouraging factor has been the increase in consumer spending in the last half of 1961. The average increase for the first nine months was 4 per cent higher than in the corresponding period of 1960. A number of figures have already been placed on the record by my colleagues in the debate on the speech from the throne, but I feel some of them bear repetition if only as an indication of the results that have been achieved. For example, the Minister of Trade and Commerce has placed on record the tremendous increases in exports, and I would suggest that an increase of $160 million in wheat sales is a matter for encouragement. An increase of $33 million in sales of nickel is also cause for a certain degree of satisfaction, as all these sales find their way back into the Canadian consuming stream, add to the purchasing power of the nation and, in the end, mean more jobs.

Construction employment and farm employment have both kept up at a time when a seasonal decrease is to be expected. Thus, from the figures I have mentioned and from others which have been placed on the record by my colleagues, it is evident that the outlook is good for employment this winter. A continuation of the current upward trend would mean the provision of new jobs for some 200,000 Canadians.

I have already mentioned the notable improvement in manufacturing. The value of manufacturers' shipments in November was up 7 per cent over the previous year and gains were registered in every province. In automobile production, while employment was up 6 per cent, output increased by 20 per cent between the fourth quarter of 1960 and 1961.

Average output in steel production was 25 per cent above a year earlier and employment was up 5 per cent. Perhaps this is what is meant by a falling off in production, as described by the Leader of the Opposition and the leader of the N.D.P. Another encouraging factor has been the sharp increase in domestic production of cotton fabrics, reversing the downward trend of several years ago in the textile industry.

Now, Mr. Chairman, in analysing all these changes there can be little doubt that steps taken in the fiscal, monetary and income transfer fields by the federal government have contributed to the improvement in the economy, and we can take credit for that with a great deal of satisfaction.

The actions that this government has taken were an important factor in stopping the developing downward trends in evidence during the past several years before they had time to develop into a major recession. In order to do this we have had to enlist the support of provincial and municipal governments, and of both management and labour through such organizations as the productivity council. I may say that in by far the majority of cases this support has been forthcoming, and thus we have had the spectacle of the federal government working hand in hand with the many important elements in the community in order to provide that leadership which was so urgently needed.

We have not been afraid to accept suggestions and advice from various groups, such as business and labour as well as provincial and municipal bodies. We have checked this advice against the reports we have received and the results have been positive and beneficial.

When people talk about economic planning, when they talk about socialism and say socialism means economic planning, I ask this question: are not all these measures which the government has introduced, are they not all in the category of economic planning in a free enterprise, democratic country, not the strait-jacket type of action in which people are regimented.

Surely one can realize that these things did not just come about without planning and advice from the best economists this country could produce and the advice of the other bodies which I have mentioned. But that, I submit, is the great difference between our type of planning in a free democracy and the type of planning in socialism that the hon. member for Peterborough suggests. The practical effect of the programs we have undertaken is shown in such examples as the approval of more than $100 million in assets for double depreciation by the Department of Trade and Commerce. This means the establishment of new industries and new jobs in areas where such industries and jobs are needed. These are not theories; these are facts.

As the impact of government action becomes more fully evident in the economy there will take place an added expansion and impetus as a result of that action. By direct federal government expenditures, by expenditures directed to the provinces and municipalities, the spending level of all governments has been raised by 6 per cent in the fiscal year ending March 31, 1961. Federal investment has taken up the slack left by a drop in private investment.

My hon. friends opposite will agree, I am sure, that this is a course recommended by every serious economist in Canada and the United States for a condition such as we found in 1957.

At the present time private investment is picking up and as inventories grow and plant expansion proceeds it can be expected that government spending will moderate accordingly. This government has evolved a program that is putting new life into the economic bloodstream of this country. Other and complementary measures will be required from time to time to complete this program and the program of national development to which this government and the Conservative party are committed. This we have done and will continue to do.

In five years recession has been rolled back, new jobs have been provided, stimulus has been injected into the economy, vast social and economic measures have been brought forward. The Canadian people sought leadership in 1957 and 1958 and that leadership has been forthcoming in the person of our Prime Minister and his government, who have given tremendous leadership to this country, who have put tremendous life into the veins of this country and its economic forward movement. I say in conclusion, Mr. Chairman, that the record speaks for itself.

Some hon. Members: Hear, hear.

Mr. Deschatelets: Mr. Chairman, would the minister permit a question? Would he say for what reasons the government refuses to give us each month the figures showing the number of unemployed drawing unemployment benefits?

Mr. Starr: Mr. Chairman, the hon. member was present in this house—from memory I cannot say the exact date—when a committee was set up to study this matter. It was agreed by the Leader of the Opposition and the party to which the hon. member belongs that a committee should be set up to study the possibility of bringing forward one figure which would be the yardstick of unemployment in this country. We have lived up to the recommendations of that committee.

Mr. Peters: A supplementary question, Mr. Chairman. Would the minister indicate why there is objection to giving us the dominion bureau of statistics figure?

An hon. Member: What do you want it for?

Mr. Peters: In many cases this does not appear to be the number of unemployed. I think the committee did not agree on this matter. Certainly my understanding was that it did not agree that we would refuse to use the dominion bureau of statistics figure of those drawing unemployment insurance each month.

I believe that in reply to the previous question it would be fair to say whether or not the government is prepared to bring forth every month, as a regular fact, this figure for the attention of the general public. The figure has been presented on a number of occasions. All that is being asked is that it be regularly presented once a month.

Mr. Starr: Mr. Chairman, of course it is the dominion bureau of statistics figures that are released.

Mr. Pitman: Mr. Chairman, I can only assume from the minister's remarks that we are now back on the throne speech.

Mr. Starr: That is what you were on.

Mr. Pitman: I think one thing was true in what the minister said—

An hon. Member: You will vote for it.

An hon. Member: You are on the way out.

Mr. Pitman: Yes, we will vote for these estimates simply because the history of this chamber in the last four years has been a record of the opposition having to vote for half measures, quarter measures and one tenth measures because that is all that is offered.

This is also interesting. The minister mentioned a poll. He suggested that 45 per cent of the people said they thought the economy was going up. There was another poll taken very recently which showed that the fortunes of the party now in power were going down. Those people who considered that the economy was going to remain healthy and become healthier were also the people who considered this party would not be in power very long. There must be a very great interjuxtaposition of those two polls and their results.

An hon. Member: You will not be here after the next election.

Mr. Pitman: There was another very interesting thing. This evening we had a deathbed conversion, the sudden realization that monetary deficits are really right after all. Back in 1957 when the Minister of Labour said that every economist in Canada knew there was a problem of unemployment and an economic slowdown, what did this government predict; what did the Minister of Finance say? He said we would have a surplus, that we had to have a surplus. He said that was the proper way to run a country, to have a surplus. As the unemployment

figures rose, what did he say the next year? He said we had to have a surplus. And what did we have?

An hon. Member: You were not here.

Mr. Pallett: Mr. Chairman, would the hon. member give the committee the reference in *Hansard* for what he is saying? That is not what the Minister of Finance said.

Mr. Pitman: The Minister of Finance was talking surpluses up to last year, and it is common knowledge.

Mr. Pallett: Give us the reference.

Mr. Pitman: You can refer to any newspaper in Canada. They will give you all the references you need. Finally, after ditching Mr. Coyne this government decided that deficits perhaps do have some value after all. This is a death-bed conversion which I am sure the Canadian people are not going to be very happy about hearing after four years of being led down the garden path.

An hon. Member: That is complete nonsense.

Mr. Pitman: But was this deficit a planned deficit, one which was going to produce more economic activity, which was going to produce some kind of assurance for business and labour in this country? No, it was not a planned deficit because this government did not realize the value of a planned deficit. We have not had these deficits because of any realization up to now on the part of this government that planned deficits can provide employment.

Mr. Jones: Mr. Chairman, I wonder whether, while the hon. member is on his feet, he could explain why the government of Saskatchewan should have a $3½ million deficit when the federal government has contributed an additional $35 million or more to that province each year since 1956? Will the hon. member deal with that question?

Mr. Pitman: It is obvious. It is because the government realizes that a deficit is valuable. That is obvious. That is what we have been saying. These means may certainly be used, but they must be planned so that you can put more purchasing power, more cash into the economy in order to achieve a healthy response. You certainly do not try to cut off the money supply and then end up with an unexpected deficit and talk about having done so in order to create employment. That is the kind of backward thinking of which this government has given so many examples in the past. Obviously this government does not realize that changes of emphasis are needed from time to time—that you only sail a ship by constantly adjusting the wheel.

This government does not make any adjustment until the whole economy has practically gone down the drain. Then, finally, they come to the realization that deficits were needed in the first place. The minister has sought to tell us of the many things which the government has done. We have heard some of them described by the minister. There is one thing I notice about these schemes: nearly every one of them was put through during the last session beginning last November.

Mr. Pallett: Rubbish.

Mr. Pitman: I believe if you read the minister's speech you will find that nearly every one of those measures was put through during the last session. Yet this same minister said that in 1957 the economy of Canada was slowing down and that something serious would have to be done. It is interesting to observe how late the government acknowledged that something did, indeed, need to be done.

The Minister of Labour suggested that a special session was called last November to deal with unemployment, but I seem to remember that the speech from the throne last November did not even mention the word "unemployment". When the Prime Minister was asked whether that was a special session to deal with unemployment he answered very definitely in the negative.

Mr. Pallett: Could the hon. member indicate what speech from the throne was delivered last November?

Mr. Pitman: I am sorry. I meant to say "a year ago last November". The hon. member for Peel seems to want to be very exact tonight. I am referring to the one the minister himself talked about at great length tonight. We were told there was no crisis—that there were no problems. Unemployment was increasing but this, we were told, was not the real problem.

Mr. Jones: That is what they said in the C.C.F. campaign in Saskatchewan.

The Chairman: I am sorry to interrupt, but I would ask the co-operation of all members so that the hon. member who has the floor may continue.

Mr. Pitman: I cannot understand the hon. member's concern with the politics of Saskatchewan. I can assure him that the government of Saskatchewan will be around a lot longer than the present federal government. It has been around, now, for 21 years. Unless the hon. member has no respect at all for the opinion of the electorate of that province he must admit that they have indicated what they feel about that particular government.

Mr. Jones: Only as long as we are around to bail them out of their troubles.

An hon. Member: What about Weyburn.

Mr. Pitman: The hon. member mentioned Weyburn. Nothing indicated the paucity of the political scene as much as that, where both parties had to get together to get rid of the one seat that was lost in that constituency.

Turning back to the numbers game which the minister has been playing, it is interesting to note the suggestion made not too long ago that 115,000 more people are employed this year than were employed last year. I wonder how many of them can really be regarded as occupying productive jobs created by this government. We increased the armed forces by 15,000; we put 25,000 into survival training for six weeks. We have another 12,000 in training. Probably the imposition of sales tax in Ontario has put a few more people to work. When you get down to it you get about 60,000—about half as many as it has been suggested are now in productive employment in this country as a result of steps taken by this government.

The minister talks about vocational schools. Yes, I know that the answer, one of the answers to unemployment given by this government, was to throw a lot of money at the provinces and say: here is a vocational training program. But it was not a vocational training program; it was a school building program, and in order that we might get some people at work building the schools the government decided that they should all be put up by 1963. Thus there was no time to find out what kind or size the communities concerned needed. There was no chance to plan a program. What the provinces did was to put up as many buildings as they could and then hope they could find enough courses of instruction to make the whole thing worth while, together with students who would fit into those courses.

Mr. Pallett: Is the hon. member suggesting that the departments of education which had requested these schools do not know what they are doing?

Mr. Pitman: I am suggesting you have created a situation in some areas of Ontario in which boards of education have been extremely embarrassed. They do not know what to do to take best advantage.

An hon. Member: You said it.

Mr. Pitman: In the strange circumstances you have placed upon them they are obliged to have these buildings up within a couple of years. You have made decisions very difficult for them. I can think of one example—

Some hon. Members: Where?

[Mr. Pitman.]

Mr. Pitman: In my own constituency where you created a very difficult problem.

The Chairman: I believe it would be valuable if the hon. member would address the Chair. I think, then, he would have more success in having his remarks heard.

Mr. Pitman: I apologize, Mr. Chairman, for any remarks I might have made directly to hon. members opposite. I can think of a situation in one area which has been made very difficult because this government has simply handed money out without there being any overall plan for the organization of these schools. In this area there is a municipality which has been providing vocational training for the county around and, of course, the county was paying toward the capital costs of these schools—

Mr. Browne (St. John's West): May I ask the hon. member a question? Did he not complain yesterday about the winter works program being in progress for too short a period? This technical and vocational training plan runs from December, 1960 until March, 1963. Does he think that is too short?

Mr. Pitman: I certainly do. You cannot plan properly to create—

Mr. Browne (St. John's West): How long would the hon. member need to decide to plan a school? They are building 12 in Newfoundland. Give Smallwood credit; he is building 12 schools.

An hon. Member: Thirteen.

Mr. Pitman: I am glad the hon. member is giving Smallwood some credit.

Mr. Browne (St. John's West): He certainly seems to know more than you about it.

Mr. Pitman: Before you can proceed with a program like that, I think the best thing is to carry out a national research program to find out exactly what kinds of jobs are likely to be available.

An hon. Member: Take up more time?

Mr. Pitman: The next step, surely, would be to set up a national pattern of vocational schools and to provide the courses which would be needed. After that you could build the schools to give the courses needed for employment over a period of ten or 15 years —not four or five.

To return to the point I was making about the situation in this particular area. This particular county was sending students to the municipality and paying part of the capital cost. They find themselves now in the position where, having accepted the grants—and there is tremendous pressure on

them to accept them, as one would expect—they realize it would cost them less to provide for a school in the county itself than it would to continue to send students to the municipality. Thus the municipality is now in the position of losing students to the county. In some cases this system may even be impairing the movement toward the integration of education which was taking place in parts of Ontario. We have students who were being brought into larger school units now attending classes in vocational schools set up in rural areas.

An hon. Member: Name one.

Mr. Pitman: I have named one. I have named one in my own constituency.

The Chairman: Order. Once again I must request that hon. members on both sides of the house refrain from interjecting from their seats so the speaker may be heard and the debate may proceed in an orderly fashion.

Mr. Pitman: I wish to make it clear that both counties and municipalities have acted in good faith and with best intentions but their task has been complicated by the fact that the answer this government has is to throw in money, allowing confusion to be created, with no clear idea what is going to happen to the money.

Under our constitution education comes within the jurisdiction of the provinces but I agree with the hon. member for Bonavista-Twillingate that vocational training is not a matter of culture, language or religion. The federal government should assist in this field and give direction and purpose. Only the federal government can provide leadership. Only the federal government has statistics and the other information required. As it is now, money is pumped in and the period given for construction is too short to accomplish an intelligent result.

I refer the minister to the efforts of the Ontario industrial education council. The minister must know about what I am saying now because people in his constituency are active in this area. It provides full consultation among educational bodies, school boards and management from various industries concerning the type of school to be constructed and the type of vocational training that could best supplement the industries in a given area. But this requires time, and time is not available under the present program because action must be taken in order to receive the grant.

Mr. Starr: Mr. Chairman, may I inquire whether or not the hon. member realizes that education comes under provincial jurisdiction?

Mr. Pitman: I just mentioned that education is a provincial matter.

An hon. Member: Go back and teach school.

Mr. Pitman: I can say with some knowledge that pumping money into an area in this way can be disruptive. The federal government should provide leadership and direction. This is not a matter essentially of education but of training. It is extremely important and unless something is done there will be a serious problem.

I know of some areas where school buildings are being erected where there is no likelihood of filling them.

Mr. Pallett: Name one. The hon. member suggested one and I now invite him to name others.

Mr. Pitman: I know of one—

Mr. Pallett: Let us have the name.

Mr. Pitman: —in the Niagara peninsula, around Welland, I think, where a school has been put up—

An hon. Member: Welland?

Mr. Pitman: I said around Welland. I am not sure of the place.

Some hon. Members: Oh, oh.

Mr. Pitman: In any event they are constructing a building there but there are few people taking vocational training at this time. Nevertheless they feel a building must be constructed to get the grant. Even though they know it will not be used economically at this time they wish to proceed and situations of this kind could be avoided if the proper conditions obtained.

The Chairman: It would be helpful if any hon. member who wished to ask a question would rise to his feet and ask the permission of the hon. member who has the floor.

Mr. Pitman: I am always interested in numbers. Perhaps the minister will explain the following aspect of his program which I have never understood. Perhaps it was explained before I arrived in this chamber. The program is based on a 27-28 week basis. The municipality receives a contribution of 50 per cent of wages in relation to those employed on municipal works approved by the federal government over a 27 or 28 week period. When it comes to calculating how many are employed the basis is brought down to 9 weeks. In order to proceed on a logical basis surely you should assume that it is one job per period of the winter works program, that is one job for a 27 or 28 week period.

The figure showing those employed under the program for 1958-59 instead of being

41,500 should have been about 13,000. The figure for 1959-60 instead of being 51,600 should have been about 17,000. The figure for 1960-61 instead of being 121,000 should have been about 40,000. The figure for 1961-62 instead of being 111,100 should have been about 41,000.

The federal government pays $1 or $2 per $10 paid by the municipality. The amount of employment attributable to the federal percentage of the payment for 1958-59 should be 2,000 men and the figure for 1961-62 should be 8,000 men. That is the result when you bring it right down to exactly what the federal government is doing over a period that the program is in operation. I do not understand the reference to a nine week period. I do not know of any place in Canada where the winter lasts only nine weeks except possibly Victoria and Vancouver. Perhaps the minister can enlighten me as to why in order to produce larger numbers, a nine week period is assumed in totalling the number of people who are being employed under the program.

The minister told us about many measures which have been implemented. What about the things that were not done? From the minister's remarks one might gather that we had full employment in Canada, that everything is fine.

Mr. Starr: I did not say that.

Mr. Pitman: I will admit that the minister said unemployment was a serious problem but he created the impression that this government had done everything possible.

Mr. Starr: No, Mr. Chairman, I said more will be done.

Mr. Pitman: Oh, more will be done? I am glad to hear it. It is too bad that everything is done so late.

Mr. Starr: We do not care whether or not you are glad.

Mr. Pitman: I assure the minister I am glad.

Mr. Starr: It is of no interest to us whether or not you are happy about it.

The Chairman: Order.

Mr. Pitman: I hope what will be done in future will be done more rapidly than what has been done in the past. I hope the minister will not require from December to March to initiate action as he did to figure out what a distressed area is and then take more time before acting.

Mr. Starr: We will not be able to derive any ideas from you, anyway.

The Chairman: Order, please.

[Mr. Pitman.]

Mr. Pitman: I never realized the minister was so dependant on opposition members for ideas. This comes to me as quite a shock.

Mr. Pallett: He never said that.

Mr. Pitman: Nevertheless we in the opposition are still waiting for action. Is it not interesting that the moment of truth should have come just at the time the economy is expanding. The charge I leave at the door of the government is that it does not understand the complexities of the unemployment situation.

Mr. Starr: And the hon. member does?

Mr. Pitman: I fear that the government is now going to contribute to an undisciplined growth that will cause more unemployment in 1967 and 1968.

Mr. Starr: You hope.

Mr. Pitman: No, Mr. Chairman, I must say I do not hope that.

Mr. Starr: You sound like it.

Mr. Pitman: I do not think it will be important to the members of this government what the unemployment situation is in 1967 or 1968.

Mr. Pallett: The hon. member wants more regimentation.

Mr. Starr: And state police.

Mr. Pitman: I certainly hope an effort will be made to ensure that we do not have another winter with the distress and hardship that were encountered last winter.

Before taking my seat I wish to pose two questions. I am interested in the minister's do it now campaign. How many handbills have been sent out under this vote? Were they blanketed over all Canada or was the distribution concentrated in certain areas where they seemed particularly needed? I wish to know the policy of the department in relation to these handbills.

The minister said that the cost of the campaign was paid on the basis of a contribution of $1 to $10 by private industry. How much of this money is donated through the public service and how much is paid for by business?

(Translation):

Mr. Ricard: Mr. Chairman, I was just as shocked as you and my fellow members were to hear a teacher squarely oppose the vocational training program introduced by the Minister of Labour (Mr. Starr) for the benefit of the coming generation. I was, moreover, very much surprised and shocked to see that a teacher could afford the luxury of awarding school boards, and more particularly those of

his riding, a certificate of incompetence, stating that they did not know what they were doing nor where they were going.

For a school teacher, who wants to promote education and training, it is certainly an astounding attitude which he will certainly regret one of these days.

I wanted to draw the attention of this house to that statement and to point out to the hon. member for Peterborough (Mr. Pitman), that he has jumped feet first into a tight spot from which he will find it very difficult to extricate himself, come the election.

Mr. Chairman, we are now discussing the estimates of the Minister of Labour, one of which relates to the winter works program.

For the record, I want to make a few remarks concerning the projects which this program brought about, not only throughout Canada and the province of Quebec but, more particularly, in the constituency I have the honour to represent here, that is, St. Hyacinthe-Bagot.

According to a report published by the municipal authorities of St. Hyacinthe, five municipalities in that riding availed themselves of the program inaugurated by the Minister of Labour during the fiscal year 1960-61.

For instance, the city of St. Hyacinthe has undertaken works amounting to a total of $71,511, which represented $35,962 in labour, and which provided jobs to 146 persons.

The municipality of St. Joseph, which is adjacent to the city of St. Hyacinthe has, for its part, undertaken works amounting to a total of $6,600 which represented $6,330 in salaries and jobs for six persons.

The village of La Providence has also undertaken works amounting to $16,000, which included $10,500 for labour, and this provided work to 15 heads of family.

The municipality of St. Damase has undertaken $13,902 worth of works, $5,235 of which went to pay wages to 30 heads of families.

As for St. Nazaire d'Acton, it spent $800 to provide work for ten people and pay them $690 in wages.

Two hundred and seven of my fellow citizens found employment on those projects for which $57,917 were paid for labour expenses.

Mr. Deschatelets: What about the hundreds of others?

Mr. Ricard: That, Mr. Chairman, is quite different from what our hon. friends on the other side of the house did when they were in power.

Mr. Meunier: There was no unemployment then.

Mr. Ricard: The hon. member for Papineau (Mr. Meunier) can have the floor when I am through with my speech.

When hon. gentlemen opposite were in power, they never could find a way to help the municipalities. And now, after all their disparaging remarks about the program we are discussing at the moment, they are beginning to recognize its value because the provincial government has agreed to a 40 per cent participation. They are still—

Mr. Denis: Still bad.

Mr. Ricard: These gentlemen of the opposition are not hard to please, since, to them, 40 per cent is much more important than 50 per cent. They have a way of their own with mathematics. They are so backward that the difference between 40 and 50 per cent is beyond them.

An hon. Member: And nothing.

Mr. Ricard: Mr. Chairman, if you were to deduct the federal government's share from this program, it would be an entirely different story.

Mr. Denis: And the Hon. Mr. Duplessis: nothing.

Mr. Ricard: During the winter of 1960-1961, the federal government also undertook the construction of post offices at St. Pie and St. Germain in my riding. Moreover, the Lorette convent was demolished in anticipation of the construction of a federal building in the city of St. Hyacinthe and preliminary work was started for the construction of a tunnel at the eastern entrance to St. Hyacinthe.

Those are all steps we have actually taken and which our friends opposite could have taken themselves, had they not been too backward to think about them and to see what was going on.

Mr. Denis: Sir John A. Macdonald forgot about them too.

Mr. Johnson: Midgets defiling the graves of giants.

Mr. Ricard: The people were led to believe that since the change of government in Quebec, the ratio of unemployed in the province has gone down. I have some figures here. I shall read them tomorrow since it is now ten o'clock. I will give them to the house tomorrow even if they are detrimental to the Liberal opposition and painful for them. You will see then, Mr. Chairman, that unemployment has never been so serious in the province of Quebec as under the Lesage government.

(Text):

Some hon. Members: Carried.

The Chairman: Shall the resolution carry?

Items stand.

Progress reported.

BUSINESS OF THE HOUSE

Mr. McIlraith: I should like to ask the leader of the house if he would indicate the business which the government proposes to submit for the consideration of the house tomorrow.

Mr. Churchill: The same program as was outlined for today.

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

HOUSE OF COMMONS

Friday, February 2, 1962

The house met at 11 a.m.

SIR JOHN A. MACDONALD

ESTABLISHMENT OF LEGAL HOLIDAY IN MEMORY

Mr. Jack Wratten (Brantford) moved for leave to introduce Bill No. C-50, respecting Sir John A. Macdonald day.

Some hon. Members: Explain.

Mr. Wratten: Mr. Speaker, in 1967 Canadians will be celebrating throughout Canada the birth of their nation. As Sir John A. Macdonald was the first prime minister of Canada, it seems proper and desirable that his memory should be honoured by the observance of a holiday in the name of Sir John A. Macdonald day.

Motion agreed to and bill read the first time.

FINANCE

CANADAIR—REPORTED DEFAULT BY U.S. AIR LINE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I wonder whether the Minister of Trade and Commerce has a reply to the question I addressed to him yesterday.

Hon. George H. Hees (Minister of Trade and Commerce): Yes, Mr. Speaker. On Tuesday the hon. member for Laurier addressed a question to the Minister of Defence Production, and in his absence my colleague the Minister of Transport accepted it as notice.

I presume the hon. member for Laurier, in referring to a C-54 sold by Canadair to Seaboard World Airlines Inc., had reference to the sale of five CL-44-D-4 aircraft sold by Canadair Limited to Seaboard in June, 1959. Four of these CL-44-D-4's have been delivered to Seaboard, and the fifth aircraft is scheduled for delivery in April of this year.

I am informed that as of today Seaboard World Airlines Inc., is not in default on any payments due to Canadair Limited. Seaboard World Airlines Inc. has been experiencing financial difficulties but so far has been able to obtain new capital to carry on its business.

I am pleased to inform the hon. member for Laurier that this government has given assistance to Canadair Limited through the facilities of the Export Credits Insurance Corporation. The corporation insured Canadair Limited against loss covering the sale of the five aircraft to Seaboard under the authority of section 21 of the Export Credits Insurance Act approved by order in council P.C.1959-747, dated June 11, 1959, which was tabled in this house on June 16, 1959. In addition, when Seaboard was experiencing financial difficulties during the year 1960 the Export Credits Insurance Corporation agreed to an amendment which provided for more generous terms of payment. E.C.I.C. did this under the authority of order in council P.C.1960-1045, dated July 30, 1960, and tabled in this house on August 6, 1960.

(Translation):

QUEBECAIR—INQUIRY AS TO DEFAULT IN PAYMENTS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I thank the Minister of Trade and Commerce for his reply which brings me to ask the Minister of Transport an additional question. Can he tell the house whether Quebecair defaulted with regard to its commitments concerning the two aircraft purchased from Canadair, and what assistance the government granted Quebecair under the circumstances?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, relations between Canadair and Quebecair are between two private firms, in which the government has no direct interest.

Mr. Chevrier: Mr. Speaker, may I ask another question? Was the government asked for a grant, or some other type of financial assistance by Quebecair in order to help that firm to carry out its operations through the winter period?

Mr. Balcer: Mr. Speaker, an application was made by Quebecair to the air transport board. After due consideration by the air transport board, it was submitted to the government who did not deem it appropriate to award the grant.

Inquiries of the Ministry

(Text):

ADMINISTRATION OF JUSTICE

REPORTED STUDY OF CAMPAIGN AGAINST ORGANIZED CRIME

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Minister of Justice arising out of a Canadian Press report that in a speech at Montreal the hon. gentleman said a study would be made leading to a campaign against organized or syndicated crime. I wonder whether the minister has anything to tell the house as to the scope of this study, whether it is to be a royal commission or a study within his department.

Hon. E. D. Fulton (Minister of Justice): No, Mr. Speaker. Some of the headlines relating to my speech are, may I say, a little exaggerated in the context of the reports themselves. I direct the attention of the hon. member to the report which appeared in this morning's *Globe and Mail,* where under a somewhat far-reaching headline the body of the report reproduces much more accurately what I had to say. Part of that account reads as follows:

> He did not elaborate, making only a passing reference to the study in a speech to the Montreal junior board of trade in which he sketched the government's new program aimed at curbing drug addiction.

The report then goes on to refer to the fact that the R.C.M.P. and other police forces have been holding preliminary talks with regard to this problem.

Mr. Argue: I wonder if I might ask the minister to clarify this report further by telling us whether or not a study of syndicated crime is now being made, whether a study will be made, or whether the report itself is inaccurate.

Mr. Fulton: I have already directed the hon. member's attention to the report which, I have said, reproduces accurately what I have said.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. R. J. McCleave (Halifax): Mr. Speaker, I have a question for the parliamentary secretary to the Minister of Agriculture. Is there any assistance available under the government's fine agricultural program for those poor little lambs who lost their way at the Liberal convention in Ottawa earlier this week?

Mr. Fleming (Eglinton): Political black sheep.

Mr. Speaker: The hon. member did not specify which of the two secretaries should answer and, furthermore, it seems to me he is taking liberties with the Department of Agriculture.

PUBLIC BUILDINGS

KASLO, B.C.—REQUEST FOR NEW POST OFFICE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Minister of Public Works. I apologize for not giving him sufficient notice, but I sent my question to the Postmaster General's department and it was redirected to him. My question is based on a copy of a letter I received from the municipal clerk of the corporation of the village of Kaslo, British Columbia, addressed to the Postmaster General, Ottawa, which says:

> I have been directed to refer you to the promise made that a new post office was to be built in Kaslo during 1962.

I must bring to the attention of the house the fact that Kaslo is the birthplace of a very distinguished Canadian, the Secretary of State for External Affairs (Mr. Green). The letter goes on to say:

> It has now been ascertained that this project is not to be undertaken.
>
> In view of the inadequacy of the present post office for the public of Kaslo and district the board of commissioners and public generally urgently request that this matter be reconsidered and that arrangements be made for a new post office to be built without delay.

My question is this. In view of the great need for a post office and the particular circumstances surrounding this village, will the minister reconsider his decision?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I did not realize until this moment the great importance of Kaslo. I think perhaps this matter should be drawn to the attention of the historic sites and monuments board. After all, there is no one in Canada, other than the Prime Minister, who is more famous than the Secretary of State for External Affairs.

I assure the house that this matter is engaging our earnest attention even without having known the important significance of Kaslo, and we will be building a new post office there in the next year. In the meantime, however, we have an unexpired lease and adequate quarters at a low rental. I assure the hon. member for Kootenay West that when the post office is built we will endeavour to persuade the Secretary of State for External Affairs to assist my hon. friend in opening the building.

RESERVE MINES, N.S.—INQUIRY AS TO CONSTRUCTION OF POST OFFICE

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, may I ask the Minister of Public Works whether it is the intention of the government to proceed with construction of the post office at Reserve Mines, Nova Scotia, notwithstanding protests from the Canadian Legion in that community?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I am glad to see that my hon. friend has now changed his position. Originally he was opposed to this; now he is in favour of it. The hon. member is shaking his head, so perhaps he is against it again. Originally I thought he was directing the campaign, and I do not know where he stands at the moment. I shall inquire into the matter and advise him in due course.

Mr. Pickersgill: Mr. Speaker, perhaps I could clarify the mind of the minister by saying I was merely making an inquiry, which is all we are supposed to do at this stage of the proceedings under the rules.

Mr. Fulton: On the fence again?

FORT WILLIAM—INQUIRY AS TO POST OFFICE

On the orders of the day:

Mr. Hubert Badanai (Fort William): I wish to direct a question to the Minister of Public Works. Has he heard of a request for a new post office in Fort William; or is the department planning an extension to the present building or the construction of a new building in another location?

Hon. D. J. Walker (Minister of Public Works): I am delighted to answer these questions if they deal with matters of national or urgent importance, Mr. Speaker. However, I would ask the hon. member if he would be good enough to put this question on the order paper. I have a hard time keeping in mind 265 different constituencies. I could not answer the question at the moment.

PUBLIC SERVICE

NATIONAL FILM BOARD—REPORTED RETURN TO OTTAWA

On the orders of the day:

Mr. Guy Rouleau (Dollard): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. In view of rumours being spread in Ottawa, as reported in a Montreal newspaper, to the effect that part of the staff of the national film board will be moved back to the city of Ottawa from Montreal, with further action to be taken in order to remove the whole staff from Montreal to Ottawa, can the minister inform the house whether the national film board is contemplating such action and, if so, what will happen to the national film board building in St. Laurent?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Speaker, to answer the second part of the question first, there is no such intention. When the national film board moved from Ottawa to Montreal there was a strong feeling that the stills division should be left in Ottawa and as a matter of fact the photo librarian, the editors and the photographers have remained here but the processing division moved to Montreal with the rest of the board.

Subsequently it was found that this was not a particularly good arrangement, because it took so long to process photographs and have them returned to Ottawa. Complaints were being made as to the length of time it took, with the result that the management analysis division of the civil service commission investigated the matter. Their recommendation is that the stills laboratory should be returned to Ottawa. If and when a decision is made, this would involve nine persons.

TRADE

CUBA—REPORTED STATEMENT BY U.S. SECRETARY OF STATE

On the orders of the day:

Mr. Heath Macquarrie (Queens): I have a question to direct to the Prime Minister. Has he any comment to make on the Washington report of a statement by United States Secretary of State Dean Rusk with regard to an appeal to O.A.S. member states concerning a cessation of trade with Cuba?

Right Hon. J. G. Diefenbaker (Prime Minister): I had expected that question would be asked, Mr. Speaker. I would point out that the Leader of the Opposition asked a similar question the other day. That was, of course, prior to the statement made by Mr. Rusk; hence the anticipation with which I looked forward to the opportunity of answering this question.

We have no official reports on the conclusions reached by the foreign ministers of the organization of American states at the Punta del Este conference. I am, however, not aware of any decision taken by that meeting which relates to restrictions on trade with Cuba in non-strategic materials and goods.

In so far as the export of arms to Cuba is concerned, as the house has been informed on

a number of occasions the Canadian government has not been permitting the export of arms to that area for more than two years, and in addition has not been allowing the export of strategic materials to Cuba.

In the statement appearing in the press, reference was made to the suggestion that the earnings by Cuba on her exports to Canada might be used "to promote communist subversion in neighbouring countries". I would point out that Canada's trade with Cuba in non-strategic goods runs heavily in favour of Canada, and that therefore there can be no possibility of earnings by Cuba on her exports to Canada being used for this purpose. On the contrary, Cuban trade with Canada is absorbing dollars secured from other sources.

I think it might be of interest in that connection to point out the record for the first nine months of 1961 with regard to both exports and imports. Canada's exports to Cuba amounted to $21.5 million. Imports from Cuba amounted to $4.6 million. During the same period United States exports, while they were tremendously down from those of the previous year, amounted to $13.3 million and imports to $26.8 million.

With regard to the problem in general may I say this. While naturally Canada is most desirous of co-operating at all times with friendly nations, the decision as to the course Canada shall take should be made by Canada on the basis of policies which we believe are appropriate to Canada.

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Minister of Trade and Commerce what are the actual steps that are taken to ensure that goods exported from the United States to Canada are not then re-exported from Canada to Cuba?

Hon. George H. Hees (Minister of Trade and Commerce): Exporters of goods to Cuba are required to declare what goods are contained in the shipments. If anything which comes from the United States is attempted to be shipped to Cuba, that shipment is refused. That has happened on a number of occasions. We are watching this matter very closely. I do not believe there has been a single instance in which goods which originated in the United States have been shipped to Cuba.

Mr. Pearson: I thank the minister for his answer. May I ask him this question. What steps are taken to ensure that goods exported from Canada are not originally from the United States? Are the exporters asked to give the original source of the goods exported to Cuba?

Mr. Hees: I believe they are asked to do that, Mr. Speaker. However, I should like to get information on the exact procedure, because I do not wish to make a misleading statement in the house. I will produce it early next week.

Mr. Pearson: I thank the minister.

UNEMPLOYMENT INSURANCE

RETENTION OF BENEFITS DURING CIVIL DEFENCE COURSE

On the orders of the day:

Mr. Walter Pitman (Peterborough): I should like to direct a question to the Minister of Labour. Has the minister received any recent communication from any emergency measures organization official suggesting that a formal directive be issued to all unemployment insurance commission officers informing them that unemployed men may be allowed to take the training course at the civil defence college at Arnprior without loss of benefits? If so, would the minister be willing to take action in this regard?

Hon. Michael Starr (Minister of Labour): I am not aware of any communication of that nature, but I will certainly look into the matter and see if there is anything. If anything can be done to help in training of any kind we are most helpful and co-operative.

LABOUR CONDITIONS

KENT, N.B.—REQUEST FOR DESIGNATION AS SURPLUS LABOUR AREA

On the orders of the day:

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I should like to reply to the question asked yesterday by the hon. member for Kent (N.B.) in which he inquired about a resolution from the council of the municipality of Kent. We have checked our files, and we find that no request has been received from that municipality.

POWER

PEACE RIVER—APPLICATION FOR CONSTRUCTION OF DAM

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I apologize for disturbing the Minister of Public Works a second time, but I wish to ask him this question. In view of the recent statement of the minister of lands and forests of British Columbia that he was making immediate application for a licence to build a hydro dam on the Peace river, can the minister inform the house whether he has received an application from the

province of British Columbia for a permit or licence under the Navigable Waters Protection Act to construct a dam on the Peace river and, if so, what is the government's approach to this application?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, so far as I am aware the application has not yet been received, but when it is it will receive due attention and an announcement will be made in due course.

SUPPLY

The house in committee of supply, Mr. Chown in the chair.

DEPARTMENT OF LABOUR

Special services—

613. Special services branch including the promotion of a program for combating seasonal unemployment, the organization and use of workers for farming and related industries and assistance to the provinces under agreements entered into with the provinces by the Minister of Labour with the approval of the governor in council—further amount required, $90,000.

614. Payments in accordance with terms and conditions approved by the governor in council to provinces and in respect of Indian bands under the municipal winter works incentive program during the 1961-62 and 1962-63 fiscal years of amounts not exceeding one half of the cost of labour incurred in the period from the 15th day of October, 1961 to such day in the fiscal year 1962-63 as may be determined by the governor in council; and to authorize payments in those fiscal years to provinces in respect of previous municipal winter works incentive programs in accordance with terms and conditions approved by the governor in council, $40,000,000.

(Translation):

Mr. Ricard: Mr. Chairman, before the house adjourned yesterday evening, I had quoted a few figures to show how efficient the winter works program was. I should like to complete the information I gave by adding, for example, that during the winter of 1960-61, in the St. Hyacinthe district, ten municipalities participated in this program. The work done cost $1,153,845, of which $144,156 were paid in salaries, and it provided jobs to 413 workers.

During the winter of 1959-60 in the city of St. Hyacinthe alone, according to the report published by the board established to promote winter works, a sum of $126,935 was spent on such projects and 118 men were employed. As indicated in the report, the figures were incomplete, owing to the fact that many contractors had yet to report.

I think it is only fair to say that the municipalities would have availed themselves of this program long before that, had the opposition not raised a hue and cry against it, spreading fear and panic among the municipalities.

During the year 1958-59, according to the figures now available, 41,500 workers, throughout Canada, and 647 municipalities have been assisted by the winter works program introduced by the minister. In 1959-60, 51,600 workers received wages produced by those projects undertaken by 869 municipalities.

Finally, during 1961-62, it is estimated that the projects submitted to the government by 2,286 municipalities will provide employment for 111,200 workers. Man days provided as a result of that program will add up to 4,743,000.

According to hon. members of the opposition, this program is not worth paying attention to and the municipalities should almost be blamed for participating.

In their speeches, the hon. members of the opposition have made a survey of the situation. I should also like to discuss the situation in the province of Quebec and compare it with what it was when our hon. friends the Liberals were running this country.

But before doing that, Mr. Chairman, I should like to call your attention to an article by Pierre Charbonneau in *Le Nouveau Journal* on November 30, 1961. I quote:

> Plank number 12 of the Quebec Liberal party platform reads as follows: "The provincial government must assume its responsibilities with regard to unemployment."

I read a little further on:

> In short, it emerges clearly from that analysis—and the speeches made by Mr. Lesage and his colleagues during the electoral campaign of June 1960 have confirmed it—that unemployment is primarily the responsibility of the province.

And still further on:

> Although sympathetic to the cause of the unemployed, Quebec admits its helplessness and passes the buck to Ottawa, satisfied to play a purely supplementary part. What about the council for economic guidance? And what about the pursuit of "the necessary policies" mentioned in the Liberal platform?

At this point, I would like to refer to an advertisement published, in 1960, by the Liberal party during that campaign. It states:

> The Liberal solution to the unemployment problem is as follows: 1. consider unemployment as a family problem and a provincial responsibility.

Now, Mr. Chairman, for the information of the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets) let us now compare

the percentage of unemployed under the administration which preceded that "terrific team" in Quebec.

When the said "terrific team" took over in Quebec, the percentage of the jobless in the province was 5.7 per cent. In July 1960, that percentage rose to 6.5 per cent, and reached 6.2 per cent in August, 6.4 in September, 6.9 per cent in October, 7.9 per cent in November and 10.1 per cent in December.

Moreover, in March 1961, when the Quebec Liberal government was claiming to have done something to keep unemployment down, the percentage of people without work in that province went up to 15 per cent as against 13 per cent at the same time a year before.

Mr. Pigeon: The damage was terrific.

Mr. Ricard: Those figures are taken from the publication sent to us by the dominion bureau of statistics, and I would like my friends opposite to make more frequent use of it in their speeches.

We also heard from the hon. member for Maisonneuve-Rosemont that there was full employment, under the former government. I would like to refer my hon. friend to the years 1937, 1938 and 1939, when a Liberal government was at the helm, and there were about 400,000 unemployed, a large number of them on relief. And 400,000 unemployed, at that time was a much higher proportion, since the labour force was then much smaller than it is now.

However, during the years 1937, 1938 and 1939—years of plenty according to our hon. friends opposite—in the city of Montreal and in other large cities across Canada, there were doctors, notaries, lawyers, nurses and teachers on relief. These people were receiving direct assistance. However, our hon. friends opposite now would have us believe that there was full employment at that time.

Our hon. friends will also recall that in those years, wages of 10, 12 and 15 cents per hour were being paid in the textile industry, and when you compare average salaries then and now in that industry, you cannot but recognize that Canadian workers, under the present Conservative regime, are far better off now than ever before.

In fact, it cannot be contended that we are living under a hunger regime when Canadians earn more, spend more and save more.

[Mr. Ricard.]

It must also be remembered that there are more Canadians at work today than ever before in Canada's history.

In the textile industry, for instance, the average weekly salary as of November 1956, was $55.96, while it reached $63.51 in November 1960.

In the manufacturing industry as a whole, the worker was earning $68.78 a week in November 1956 and $79.16 in November 1960.

In the building industry the average weekly pay was $70.78 in November 1956 as compared to $81.46 in November 1960. And I believe this last average has gone up since November 1960.

In the field of construction, according to a report by the secretary of the builders' association, Canada has established a world record.

In fact, Mr. John Caulfield Smith, executive vice president of the national association of house builders of Toronto, stated:

> Construction accounts for 10 per cent of our gross national product as compared to 11 per cent in the United States and 8 per cent in Britain.

And since our friends opposite like to make comparisons with present full employment in England, Germany and Italy, does that imply that the Liberal policy would be to go back to longer hours and lower wages than those paid here? Do they intend to achieve full employment by reducing the wages and increasing the working hours of Canadian workers?

I feel that if the question was put to the Canadian worker, he would not hesitate to answer that the conditions which he enjoys now under a Conservative administration are indeed the conditions he prefers.

Mention was also made of certain Gallup polls. I should also like to draw the attention of this house to the results of a poll reported in the newspaper *La Presse* on January 4, 1962. The question put to people in various walks of life was as follows:

> Do you approve or disapprove of the record of the federal government to date?

For the whole of Canada, the answer was as follows: for, that is favourable, 43 per cent. Against, 28 per cent, while 29 per cent of the population did not answer.

As far as the province of Quebec is concerned, the proportion in favour shows that this government did a very good job: 44 per cent were in favour; 29 per cent were against and 27 per cent did not answer.

Concerning the textile industry which is of particular interest to me, I should like to draw the attention of the house to information I have here.

I am quoting here from an article published in the *Gazette* of January 13, 1962, which is based on the publication entitled *The Primary Textile Institute*, with the following subtitle:

(Text):

Textiles may enter new phase—obtain 51 per cent of domestic market—first increase since 1950.

Further on we read:

Industry optimism stems from a number of 1961 indications, such as an increase in domestic production, a levelling of the volume of imports, and the arrest of annual cuts in employment.

Further on we see:

Despite the difficult conditions since 1950—

Mr. Chairman, you will remember that hon. members opposite have tried to persuade us that the textile industry has only been in trouble since our government came into power; but you will note, sir, that this industry has been in trouble since 1950, and for the first time since that year is beginning to pick up. I was quoting this article:

Despite the difficult conditions since 1950, this industry has never ceased believing that it had a vital role to fill in the Canadian economy and the future of this country.

This is quite a bit different from what our Liberal opponents have been trying to persuade people all across Canada.

(Translation):

Mr. Chairman, before closing my remarks, I should like to call the attention of the house to the fact that, at present, 6,048 requests have been approved by the Department of Labour in connection with the winter works program. The estimated cost of the works to be carried out under those projects runs in the neighbourhood of $257.5 million. Salaries to be paid as labour, for those works, will amount to $66 million, and the federal government's contribution amounts to $33 million. However, this does not prevent our Liberal friends from protesting, after having voted at first for those winter works and probably preparing themselves to vote again in the same way. They rise one after the other to say that this measure has no value whatever and that the sum of $33 million is negligible.

Now, it must be remembered that $33 million constitutes a sum intended to help municipalities. It must also be recalled that when those hon. gentlemen could have done something to help municipalities, they did not bother to do anything. They were satisfied to sit back and let municipalities cope with their own difficulties. Today, the municipalities are most happy with the assistance they get from this Conservative government and municipal authorities are certainly most generous in voicing their appreciation to the Conservative government and the Minister of Labour who has established the winter works program with their co-operation.

Mr. Chairman, I would advise our Liberal friends to think twice before speaking and voting, because the people are pretty well fed up with their criticism of everything that is done in the house, even though afterwards they vote for the measures introduced by the Conservative government.

Mr. Boulanger: Mr. Chairman, I followed closely the remarks made yesterday by the Minister of Labour (Mr. Starr) and I also listened carefully to the speech the hon. member for St. Hyacinthe-Bagot (Mr. Ricard) started yesterday and concluded this morning.

I congratulate the Minister of Labour for having taken such pains to defend his department's policy.

At the outset of his remarks, the minister stated that the Liberal party was absurdly criticizing everything that was done by the government. Well, Mr. Chairman, I wonder what the role of the Liberal party is, if not to criticize and comment on the government's policy and make suggestions so as to improve it materially. That is what we have done in the past and what we intend to keep on doing.

As general elections are getting closer, it seems to me that government members and ministers are becoming increasingly nervous, and that reminds me of—

Mr. Martel: You mean the Liberal members.

Mr. Boulanger:—the attitude of the Union Nationale, in the province of Quebec. No opposition is to be tolerated. Newspapermen are criticized. And attempts are made to prevent members of the opposition from expressing their views.

Indeed, we shall vote for the adoption of the Department of Labour estimates. We shall vote for these measures because—

Mr. English: Because they are good.

Mr. Boulanger: We cannot be against them. For want of something better, we shall vote in favour.

Mr. Johnson: A reasonable gesture, at last.

Mr. Boulanger: Mr. Chairman, in the course of his remarks, the hon. member for St. Hyacinthe-Bagot has counted the blessings brought about by the assistance granted municipalities through the winter works program, and he quoted figures to show all the wonderful things that had been done in his constituency. But he forgot one thing, and the most important one. It is that, if the St. Hyacinthe-Bagot constituency has benefited from this legislation, the one to thank is Mr. Lesage, the greatest premier the province of Quebec has ever known.

That act was passed in 1958 and it was only in 1960 that the province of Quebec was able to take advantage thereof, because Mr. Lesage accepted the joint plan—

Mr. Ricard: On a point of order, Mr. Chairman. May I point out to the hon. member for Drummond-Arthabaska that during the winter of 1959-60—and I quoted figures to that effect this morning—some municipalities in my county took advantage of the winter works program before there was a joint plan with the Quebec provincial government. Therefore, the hon. member should bear that information in mind.

Mr. Pigeon: He is always balled up.

Mr. Boulanger: Mr. Chairman, I do not see that there is a point of order here.

As I was saying, if nowadays the province of Quebec can take advantage of that act adopted by the federal government, we owe it to Mr. Lesage, because in the days of the Union Nationale, Premier Duplessis always refused to co-operate with the federal government in order to alleviate unemployment.

Mr. Habel: Hear, hear.

Mr. Boulanger: The hon. member for St. Hyacinthe-Bagot has even been searching through statistics in order to find some arguments that would justify this government's policy in general and that of the Department of Labour in particular. He quoted Gallup poll figures. He should have gone further and given us the opinion of the pollsters who conducted that same Gallup poll on the popularity of the Conservative party in the province of Quebec—

Mr. Ricard: If you are satisfied with one government, you do not worry.

Mr. Boulanger: —and in Canada. Those figures would have been most interesting.

Mr. Johnson: Give us some figures.

[Mr. Johnson.]

Mr. Boulanger: However, I can quote figures also—

(Text):

Mr. Deschatelets: On a point of order, Mr. Chairman, the previous speaker enjoyed courtesy from this side of the house while he was making his speech. He was not interrupted, and there were no interjections. I would ask you to see that the present speaker enjoys the same courtesy from the other side of the committee, and that the rules be applied to both sides.

Mr. Ricard: I want to draw your attention also, Mr. Chairman, to the fact that I was interrupted by the hon. member who has just spoken as well as by the hon. member who actually has the floor. In these circumstances it is most surprising that he should get up and try to teach you a lesson.

An hon. Member: I was interrupted, too.

The Deputy Chairman: The hon. member for Drummond-Arthabaska has the floor and I would ask other members to co-operate in recognizing his rights in this regard.

(Translation):

Mr. Drouin: On a point of order, Mr. Chairman.

I should not want to be rude to the hon. member for Drummond-Arthabaska, but he put forward facts which are not accurate. Actually, when he stated that under the Duplessis government—

Mr. Boulanger: Mr. Chairman, there is no point of order.

Mr. Pigeon: He should be asked to read more slowly.

The Chairman: Order.

Mr. Boulanger: Mr. Chairman, I do not mind government members' criticism, but I would like them to be courteous enough to wait until I have finished my remarks, as we did ourselves yesterday evening and this morning, when we listened to them.

Mr. Pigeon: That is not true.

Mr. Boulanger: A moment ago, I was speaking of Gallup polls and the member for Chambly-Rouville (Mr. Johnson) asked me what I thought of the Gallup poll's conclusions on the Conservative government's popularity in Quebec and throughout Canada. He asked me to give figures and I am quite willing to quote some from memory.

In Canada—

Mr. Johnson: On what date?

Mr. Boulanger: September 1961.

Mr. Johnson: I see.

Mr. Boulanger: When the results of the next Gallup poll are known, they will no doubt be even less favourable to the Conservative government.

For the information of the hon. member for Chambly-Rouville, according to the figures, the Liberal party's popularity was 56 per cent, while that of the Conservative party was 48 per cent.

Mr. Pigeon: Keep your present leader for a while and we will easily be returned to office.

Mr. Boulanger: An upturn in the textile industry was also mentioned. It was stated that employment had improved in that industry since the beginning of 1961. However, the situation is not quite as good as in 1956 when the Liberals left office. The Canadian producers' share of the domestic market was 56 per cent that year as compared with 48 per cent at the end of 1960. It has decreased continuously. If there is an improvement in the textile industry today, it is because there has been a marked improvement in the economic situation in the United States, and because the Americans are selling their products in their own country where the demand is heavy, which eliminates dumping in Canada.

I revert to the question of unemployment to enlighten the hon. member for St. Hyacinthe-Bagot who claimed that the government's policy has reduced unemployment in the country and in his riding, in particular. I would suggest that he refer to the following figures which I find in the November issue of the *Labour Gazette*:

Employment opportunities and applications at the unemployment insurance commission as of September 29, 1961.

I must tell the hon. member that according to the above mentioned survey, by August 31, 1961, there were still 1,049 unemployed in the city of St. Hyacinthe. Yet, there are some who claim that the municipal winter works program helped alleviate unemployment.

Mr. Chairman, the government's policy in that respect certainly has some advantages, since it will help to provide work for 118,000 people over a period of 45 days. We do not criticize that policy; we merely hope that the government will improve it. The aims of the Minister of Labour are sound and appropriate, but the means considered to check unemployment are inadequate because they do not meet the wishes expressed by the population, the municipalities and the unemployed.

Mr. Pigeon: Do not insult Mr. Lesage.

Mr. Boulanger: I shall come back later on, if I may, to Mr. Lesage, since I have been driven to speak about him.

As far as winter works are concerned, it has been determined that materials represent from 66 to 68 per cent of the cost and labour, from 30 to 34 per cent. Of this last percentage, the federal government pays half. Fortunately, in certain provinces, a percentage of the labour cost is added. The Quebec government pays 40 per cent of the labour costs. Both the federal government and the Quebec government are to be congratulated for that.

The fact does remain, however, that municipalities have to pay from 68 to 72 per cent of the cost of materials, which this year is estimated at $267 million. Furthermore, municipalities have to pay an 11 per cent tax on those materials. Now, we are told that this year the federal government will spend about $33 million. Then, taking into account the tax to be levied by the federal government on these $267 million worth of materials, we find that it will receive $28 million. This goes to show how insignificant the federal contribution is. It amounts to just a few million dollars.

What we want, and what the municipalities' union and various other organizations have been asking, is that the government do more than it has done in the past by creating a fund from which municipalities could borrow at a reasonable rate. For pity's sake, let us do away with the 11 per cent tax on materials which municipalities buy for winter works.

These are suggestions we are making to the Minister of Labour, not to be nasty, but to help him deal with the unemployment problem, since we know that there were 413,000 unemployed in December and there are perhaps over 500,000 at the present time.

Last winter, the number of unemployed reached 713,000, and if means are not taken to improve the situation, we will have this same number again this year.

We made plenty of suggestions during the great debate on unemployment which took place in 1959. The Liberal party set forth 25 of them and I think that was enough to work out a solution which should alleviate the unemployment situation.

Since the hon. members from Quebec want details, I am prepared to give them some. We know that in 1959-60, the province of Quebec held the record for unemployment. It was the province which had the most unemployed in relation to its labour force. But by mid-December 1961, the province had dropped down to third place, thanks to the wise policy of premier Lesage who had then been in power only 18 months.

Mr. Johnson: What has he done?

Mr. Boulanger: Although he took over from an administration which had turned everything upside down for 16 years, only 18 months after he was elected as leader of the government of the province of Quebec, Mr. Lesage had taken such measures that the province dropped to third place as regards unemployment. And I ask all the hon. members from the province of Quebec to examine the figures as they are published each month so that they may realize what Quebec can do when it has a fair and sound government.

Mr. Pigeon: Twenty two new taxes under the Lesage administration.

Mr. Boulanger: Under the Union Nationale government, the assistance provided to municipalities under the program amounted to nothing. Today the government pays 40 per cent of the cost of labour.

Mr. Johnson: Who signed the federal-provincial agreement on unemployment insurance?

Mr. Boulanger: Mr. Chairman, during last year's debate I offered a few suggestions and I had one about profit sharing. I explained that under that formula, the worker shares in the profits of our business concerns, which helps to reduce production costs so that our products are in a better position to compete with those of other nations on the export markets. I found that the best way to do so was to bring about better co-operation in labour-management relations. That is why I asked the government and the Minister of Labour to encourage employers and employees to sit down together and discuss their problems rather than have each side pulling on the blanket and increasing difficulties.

The Minister of Labour has made no comment about my suggestions and the same goes for the unions. They had no comments to offer, except for one union leader who has expressed views I cannot give you here for the time being.

[Mr. Boulanger.]

However, a fortunate movement was initiated recently by industrial leaders and management associations that met for the first time in Winnipeg recently. We are told that other meetings will follow in various parts of the country; I hope they will be successful in improving management-labour relations and will find ways to improve employment conditions throughout the country, which is something the government cannot do.

Mr. Chairman, I thought I should make an appeal in favour of the 400,000 people who were out of work in December and I have been sincere in this.

It is said that an amount of $33 million will be spent during the year in an effort to ease unemployment. That is not enough. If hundreds of millions are spent on war material that will probably never be of any use to us, I think that the $33 million that will be spent this year to fight unemployment are not enough. As the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets) was saying yesterday, in wartime, there is a lot of money for armaments, whereas with a human problem like unemployment, the purse strings are tightened and nothing is done to solve it.

It is not by going back to the regime that prevailed in the years 1930-35 that the unemployment problem can be solved, but rather by examining it today in an objective manner and by working together to find a satisfactory solution. Unemployment is no more the responsibility of the provincial government than of the federal government or of the unions or of management. It is a problem which concerns each and everyone of us, a problem which concerns the government as much as each and every member of this house. It is not by indulging in bigotry, as has been the case yesterday and this morning, that a solution will be found to this problem of unemployment.

(Text):

Mr. Bell (Saint John-Albert): Hon. members will recall that during the throne speech debate I mentioned optimistically the employment situation in the Saint John area. This optimism was fortified the other day, namely on January 30, by a press report. I am quoting from the Saint John *Telegraph-Journal.*

Unemployment in Saint John at the end of 1961 showed a sharp decrease over the previous year, said Mayes C. Smith, manager of the national employment service office, yesterday.

I referred, however, to the increasing demands in our area for skilled labour. I mentioned the fact that the industries now located there were forced to go to the United Kingdom for their skilled people and that these immigrants are now moving into this part of New Brunswick. At that time I expressed the hope that it would be possible to increase our technological training facilities there so that it would not be necessary to bring in so many immigrants and we could make use of the fine young men who are now in Saint John.

This matter of increased vocational training has been to the fore in the last two or three weeks. A great many statements made at the various levels of responsibility have appeared in the press. I had hoped that it would be possible to make more progress than that which has been made. I am not suggesting that any of the statements that have been made are untrue. However, I make mention of this fact because I think the impression could have been created in some minds that the nigger in the woodpile is the federal government. Some of the figures that have been used, while not untrue, create the wrong impression.

I should like to take the example of a proposed expenditure of $1 million on construction for vocational training. Under the plan made possible by the Technical and Vocational Training Assistance Act of last year and the agreement thereunder the federal government would match 75 per cent of all money paid by the provincial government. The provincial government of New Brunswick is hamstrung owing to an old and outmoded vocational education act and can assist only to the extent of 30 per cent. This would mean that 25 per cent of the 30 per cent, which would be paid by the province, would amount to only $75,000, which is a paltry sum indeed. Suppose the provinces paid the full $1 million for this proposed construction. In that event the province would receive back from the federal government $750,000. This would leave only $250,000 as the net amount to be paid by the provincial government. However, the provincial government are welshing on this because they would only pay $75,000 under the existing scheme and would therefore save themselves $175,000. This has the effect of making it impossible for the municipality to go ahead with its plan. I understand that in the Saint John case the estimated cost is $500,000 and if we take half this amount this means that the provincial government by hiding behind this outmoded act is saving approximately $80,000, or half of $175,000. As a result we will not be able to go forward with this very necessary construction to provide facilities for training people in the skills that are necessary in the Saint John area.

I suggest that when the provincial act was drafted the circumstances were entirely different. Revisions have been made with regard to the federal responsibility, and it is up to the province now to make the necessery changes so that we will all be able to benefit from this very generous offer of which advantage has been taken by most of the other provinces.

Mr. Pascoe: Mr. Chairman, my remarks will be brief because there is no need now to answer the statements of the opposition. I think the Minister of Labour did so very effectively last night when he outlined just how much good this program is doing all across Canada. On the radio this morning I heard complimentary remarks by a commentator about this program of the government. The commentator said that the opposition had fired no big guns against the program. He implied that they had let off a few firecrackers, and I think he believed that even among those firecrackers there were quite a few duds. In my opinion the opposition has endorsed this program by praising it with very faint criticism.

The two items now before the committee are very important. Item 613 provides an amount of $90,000 for the promotion of a program to combat seasonal unemployment. The Minister of Labour expressed his appreciation of the work of the local winter works committees and their great efforts in providing more jobs during the winter. I should like to add my personal commendation to the minister's letter of thanks which he addressed last year to the local winter works committees. May I say with particular reference to the Moose Jaw winter works committee that I think their efforts will certainly deserve thanks from the minister again this year.

During the debate on acreage payments I drew attention to the fact that the item covering those payments to western farmers and the item of $40 million for winter works appeared on the same supplementary estimate sheet. I said at that time that the $42 million in acreage payments will help to bolster the income of the western farmers and the $40 million in item 614 now before us, the purpose of which is to pay half the labour costs for winter works, will add to the income of the workers. I repeat what I said in the earlier debate. The fact that the two items appear on the same supplementary

estimate sheet certainly emphasizes the government's concern for all segments of the economy. The almost similar amounts of the two items indicate that what is being done for the income of the farmers is also being done for the income of those in the labour force generally.

The Minister of Labour outlined some of the benefits from last winter's program, and I think his figures bear repeating. Participating municipalities numbered 2,163, projects undertaken numbered 7,197, jobs provided on site amounted to 121,197, man days of work provided totalled 5,150,405, and the federal government's payment for half the labour cost amounted to $35,923,000. The program for this winter has been broadened to include new classes of projects. The supplementary vote of $40 million shows that the program has been enlarged.

I should like to put a few facts on the record. I have here a list of projects already approved for this winter. These are in my own constituency and are taken from official statements issued by the Department of Labour. There are 16 or 17 items on each sheet dealing with winter works in various municipalities all across Canada. I am going to pick out some of those that concern my own constituency of Moose Jaw-Lake Centre, and I will outline first some of the projects already undertaken under this program in the city of Moose Jaw. They are paving and repairing of a bridge; road survey and design; the construction and erecting of street signs; crushing and stockpiling gravel with respect to which Ottawa is paying $9,000 of the labour cost; fencing the exhibition grounds; installation of water main, sewer and meter chamber, and installation of a sewer system.

In the last case the federal government is helping in two ways to provide winter work. The project will cost nearly $1 million. For two thirds of this amount Moose Jaw has received a C.M.H.C. loan for 20 years at 5⅜ per cent interest. In addition the city will receive $63,000 from Ottawa for half the cost of labour under this winter works program. Furthermore, 25 per cent of the C.M.H.C. loan will be cancelled if the work is completed by the spring of 1963.

A large portion of the city of Regina is in my constituency. Here are some of the approved Regina projects for this winter under the winter works program. Park improvements and tree planting, crushing, hauling and stockpiling of gravel, with Ottawa paying $33,750 for labour; installation of storm sewers, with Ottawa paying $8,000 for labour; sidewalk construction; installation of water mains; reconstruction of a water reservoir; installation of water and sewer systems, with Ottawa paying $20,000 for labour.

[Mr. Pascoe.]

I shall just go hurriedly through the other items because, as I said, there are 17 or 18 items on each sheet. I shall pick out the ones which have to do with my own constituency. The first is Regina Beach, surveying and drafting for waterworks system, with Ottawa paying $5,000 for the labour costs. The next is Craik, RM No. 222, road construction. Others are Manitou Lake RM No. 422, brush cutting on road allowances; the town of Nokomis, installation of water main; the town of Watrous (3 items), construction of sidewalks with Ottawa contributing $3,250; construction of civic administration building, with Ottawa paying $5,000, and alteration to pumping station wells and reservoir, with Ottawa paying $5,000; the town of Strasbourg, installation of water and sewer system, C.M.H.C. loan for $110,000, similar to the one I outlined for the city of Moose Jaw.

There are three items for the village of Regina Beach; brush cutting on roadways and street intersections, clearing lake shore in park area and erection of water storage tanks. For Marquis, RM No. 191, there is a hubline survey, drainage survey and design, and for the village of Holdfast there are improvements to a curling rink. Other items include Last Mountain Valley, RM No. 250 renovation of municipal office; the village of Dilke, installation of street lights; Craik, RM No. 222, relocation of telephone lines with Ottawa paying $2,000 for labour costs, and also stone and tree removal on roadsides with Ottawa paying $1,500.

In the village of Bethune there is an item for installation of street lights, and for the town of Lumsden there is installation of water and sewer system under a C.M.H.C. loan of $233,000, with $16,000 labour costs paid by Ottawa. The village of Drake has an item for the construction of a well, and the village of Saskatchewan Beach has an item for construction of boat ramp and clearing beach. Other items include Usborne, RM No. 310, cleaning and brush cutting road allowances; the village of Lockwood, fencing cemetery and nuisance grounds; Big Arm, RM No. 251, road survey.

I have only a few more, Mr. Chairman. For the town of Govan there is construction of a sewage collection system and water distribution system under a C.M.H.C. loan of $195,450, with Ottawa paying $7,500 for labour costs. Other items include Lumsden, RM No. 189 brush cutting on road allowances, and for the village of Semans there are three items—installation of water meters, developing and pump testing municipal well, and installation of water storage tanks.

I have taken the time of the committee to list these items in order to emphasize that these winter works do provide labour. Most

of the items involve a considerable amount of labour, and that is exactly why I put them on the record.

Mr. Peters: And the fact that there may be an election on April 9 may have something to do with it.

Mr. Pascoe: The minister referred to the scope of the program last winter. This list of claims is only one cheque requisition. This requisition is two pages long, and it shows the money paid from Ottawa to the provincial government and to the municipalities. There are quite a few of them in my own constituency but I shall not read the items.

Mr. Peters: What about the minister's own riding?

Mr. Pascoe: This list of claims processed for payment by Ottawa is covered by just one cheque requisition for $99,246, and I am sure it is only one of hundreds of such requisitions. After the projects are accepted, in my particular area anyway, Ottawa pays the money to the provincial government at Regina which in turn pays it to the municipalities. I do not doubt that the provincial government takes a great deal of credit for that, but I want to make it very clear that we are paying half the labour costs, as can be seen by this item for $40 million.

In my files I have letters of thanks for the part I played in some of the major municipal projects, and I pass on these expressions of thanks to the minister who is doing so much to provide jobs during the wintertime and thus reduce seasonal unemployment. The government programs implemented in the past four years have provided another benefit not directly connected with these payments from the federal treasury. This benefit is connected with winter construction. In earlier years it was taken for granted that construction work could not be carried out during our cold winters, but the example set by the winter works program has been followed by contractors all across Canada, as can be seen by the buildings now rising in Ottawa. Only this morning I passed a nine storey building on which work was being carried out in 19 below zero weather.

This is another part of the government's campaign to provide more employment, a campaign for which the Minister of Labour can take a great deal of credit. On behalf of my constituency, which has benefited considerably under this winter works program and which will benefit to an even greater extent this winter, I am happy to support this supplementary estimate, and I thank the minister for introducing it so early this session.

(Translation):

Mr. Leduc: Mr. Chairman, I should like to make a few remarks on the items now before us. We are asked by the government to vote an amount of $40,090,000 as a contribution to joint winter works programs.

Last night I listened very attentively to the speech of the Minister of Labour (Mr. Starr). He did his best to justify the means chosen by his government to reduce unemployment. Yet, I think he went further than he intended to at a certain point, when he stated that the whole of the opposition believed the joint winter works programs to be no good.

Mr. Chairman, since the government submitted its winter works program and asked this house to vote the necessary funds for carrying it out, I always voted, with the other opposition members in favour of the joint winter works program. I voted for that program because I believed it would help a considerable number of unemployed in my riding, in my province, and in my country.

I do not think the minister was fair to the opposition when he said that we claimed the winter works program was not good. We do say however that it is not good enough to solve the unemployment problem.

While going through sessional report No. 194 of the Department of Labour for 1960-61, I noticed that 22 municipalities in my riding benefited from that program by carrying out joint winter works projects with the provincial government.

I would now like to read out a list of municipalities in my constituency which undertook winter projects in 1960-61. Here they are: Aumond, Aylwin, Blue Sea Lake, Bouchette, Buckingham West, the township of Buckingham, Denholm, Eardley, Hull South, Hull West, Lac-du-Cerf, Low, Maniwaki, Messines, Mulgrave and Derry, Portland, Portland West, Sicotte, Templeton West, Val des Bois, Wakefield East, and Wakefield Village.

(Text):

Mr. Stewart: All aboard.

(Translation):

Mr. Leduc: The total amount came to $294,149, with a federal contribution of $110,-964 and a provincial contribution of $88,449.

Mr. Chairman, answering a question I had asked, the Minister of Labour stated that until 1960 no municipality in my riding had benefited from the winter works program because at that time the government of the

province of Quebec was headed by Mr. Duplessis who did not want to contribute anything to such a program. Needless to say the municipalities who did undertake projects to help relieve unemployment, did so by paying 50 per cent of the labour cost in addition to the cost of the project itself. But, today, the provincial government has realized that the responsibility for unemployment is not exclusively a federal one. The provincial governments, as well as the municipalities and all Canadian citizens must realize that this is a joint responsibility. When each of us accepts his full responsibility in this field, then, and only then, shall we find the real answer to our unemployment problem in Canada.

I am pleased to tell the house that since last year unemployment has gone down considerably in my riding. That does not mean that the answer to the unemployment problem has been found, that there are not again, this winter, thousands of unemployed who suffer because they cannot find work, but I say that there is some improvement, and I hope conditions will improve from day to day.

I would have a suggestion for the government in connection with the winter works program, as we all believe that there always will be some seasons in this country when the number of available jobs will not be large enough to absorb all our workers, more especially during the winter months. The very fact that 22 municipalities undertook winter works last year and that there will be this year a still greater number taking part jointly in the winter works program to help the unemployed indicates that the winter works program has been of assistance to them. I also believe that the municipalities could benefit more from these joint projects if they could find the money that is needed to undertake certain municipal works at a lower interest rate.

As you know, Mr. Chairman, the problem now facing many municipalities wishing to undertake these works is to find the required capital at a reasonable rate.

It has been said that there is plenty of money, but reference to the very high interest rates was forgotten.

I also noticed yesterday that the Minister of Labour was very careful not to mention present interest rates. I know that some municipalities, in order to carry out certain winter projects, have to pay 6, 6½ or 7 per cent interest.

[Mr. Leduc.]

The federal government should, I think, establish a special fund to lend money to municipalities for winter works at rates lower than 7 per cent.

(Text):

The Deputy Chairman: Shall votes 613 and 614 carry?

Some hon. Members: Carried.

Mr. Habel: No, Mr. Chairman.

Mr. Johnson: Kill time.

(Translation):

Mr. Habel: Mr. Chairman, while the government and its supporters persist in creating the impression that the opposition, while approving the supplementary estimates, are against winter works, I believe that they should rather realize, in all fairness, that the opposition is trying to convince the government that the responsibilities of unemployment, shared by the provinces, by the federal government, and up to a certain point by the municipalities, should be supported by all three levels of government.

However, one thing remains: it was not the provincial governments, nor the municipalities who, in 1957 and in 1958, promised to cope with unemployment and that nobody would ever suffer from unemployment in this country.

It was the present Prime Minister himself who, during his 1957-58 election campaign, stated that no Canadian would have to suffer from unemployment.

You will admit, Mr. Chairman—and all members on the government side will also admit—that in the political speeches made at that time there was no mention of asking the provinces or the municipalities to pay for most of the costs of winter works. The promise made by the Prime Minister during the 1957-58 election campagn was that of a political party who, today, is trying to fulfil only part of that promise and pass responsibilities on to municipalities and provincial governments.

You hear members on government benches boasting that the government is paying 50 per cent of the costs of those projects. We, on this side of the house, admit that the plan suggested by the federal government is probably a good one but we believe that it is inadequate to cope with unemployment.

We say that it is unfair to ask the municipalities to bear in practice the biggest part of the cost.

First, it is well known that federal government contribution amounts to only 50 per cent of labour costs. Besides, we all agree that at the present time when mechanization is now well established in this country, so to speak, most of those jobs are done with mechanical equipment. Thus those winter works projects could be done more cheaply by municipalities in more favourable seasons. It also happens that municipalities have to spend considerable amounts of money in order to reduce unemployment.

I said a moment ago that the 1957 and 1958 promise was not made by the municipalities nor by the provincial governments.

An hon. Member: How about those of 1950?

Mr. Habel: It seems strange to me that this government which certainly deserves some credit for the winter works program should try to take all the credit.

I say that hon. members on the government side should honestly recognize that, if it had not been for the co-operation of provincial governments and municipalities, the program would be a complete failure. I hope they will agree that provincial governments also share in this effort and that municipalities assume an extraordinary burden in order to help in the solution of the unemployment problem. Hon. members have very little to say about it because they seek to give all the credit to the federal government.

Well, I say, Mr. Chairman, that unemployment is a plague which the government should have tackled much sooner than it did. In fact, it was only in September 1960 that this government recognized unemployment as a national emergency which had to be faced.

Until then, the right hon. Prime Minister himself as well as all the other cabinet members were charging the opposition with spreading confusion throughout the country with their statements on unemployment. The government refused to recognize that the plight of the unemployed was critical and called for government intervention.

It so happened that in September, 1961 the Prime Minister became aware of the feelings throughout Canada on that matter, and finally agreed, in a television program, that a serious unemployment problem had developed in Canada and that in such circumstances the government had to call an earlier session in order to settle the matter. Once again, a winter works program which had already been applied for a few years but in which the province of Quebec, for one, did not want to partake was proposed at that session as a corrective measure.

I am very much surprised now to hear some Conservative members from Quebec offer fulsome praise to this government for its winter works program. You will admit, Mr. Chairman, that those same Conservative members from the province of Quebec would do well, once in a while, to thank the present government of the province of Quebec for having agreed to participate in those works.

Mr. Johnson: What do you mean? Thank it or having provided jobs for federal Liberal members from Quebec?

Mr. Habel: A moment ago, a Conservative member—I believe he is precisely the one who is now trying to interrupt me—was asking the hon. member for Drummond-Arthabaska (Mr. Boulanger) who had signed the agreement on winter works.

Mr. Johnson: I was not asking that—

Mr. Habel: The answer is the following: the hon. Mr. Barrette, on the eve of the election in 1960. And in behaving as he did, I submit that he was repudiating his former chief, who had always refused to participate in those works.

Mr. Johnson: Mr. Chairman, on a question of privilege—

(Text):

Mr. Chairman, on a question of privilege, I do not wish to delay the committee, but there is one question I wish to ask.

(Translation):

I did not ask who had signed the agreement on winter works. I should like to thank the hon. member for having pointed out that it was the Barrette government and not the Lesage government. I asked you who had signed the agreement on unemployment assistance, on behalf of the province of Quebec.

Mr. Habel: Mr. Chairman, in connection with unemployment assistance, I think it was the hon. Mr. Duplessis who signed the agreement, but he only did so after having waited for a year, after the Prime Minister, that is the Right Hon. Mr. St. Laurent, had proposed it to all provinces.

Mr. Pigeon: Would the hon. member permit a question?

Mr. Habel: So, returning to the question of winter works, Mr. Chairman, it seems to me there is a terrible gap in this program, and in particular I would call the attention of the Minister of Labour (Mr. Starr) to this. He must have received from the association of northeastern Ontario municipalities last December, a suggestion that the government should extend the scope of winter works in an area of the country such as the one I have the honour to represent.

Mr. Chairman, it is impossible for us to undertake certain works that may be done in places where the weather is more favourable. In our district, the weather being what it is, we must submit thereto. So municipalities would like the program to be extended in such a way that a greater amount would be paid, not only in wages and salaries, but also for materials. Furthermore, they would have preferred the program to apply also to other constructions than those now provided for.

For instance, in the constituency I represent, it would be impossible to contemplate the installation of a water or sewer system. But, if the program were to start, one or two months earlier and if the period of its duration were extended, the municipalities could envisage the possibility of undertaking such works, and draw up their budget accordingly, because, it must be admitted that the present program of the government prevents municipalities from taking full advantage thereof, since they can hardly prepare their budget sufficiently in advance to be able to do so.

Mr. Johnson: That is a very fine speech to kill time.

(Text):

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

(Translation):

Mr. Habel: Mr. Chairman, when the house recessed at one o'clock, the hon. member for Chambly-Rouville (Mr. Johnson) had succeeded in putting on record a very kind remark about me, by saying that my speech was meant to kill time. He should have said, rather, that it was a logical speech reminding the Conservative members from Quebec that the carrying out of this winter works program is possible in their province only because there is a Liberal government in Quebec.

To come back to the subject I was dealing with before one o'clock, I was referring to a request which had been made to the Minister of Labour by the northeastern Ontario municipalities association. I happen to have the text of that resolution here, and I shall read it to you as it is written, that is in English. I quote:

(Text):

That the winter works program be replaced by an assistance works program beginning one month prior to the present program and lasting one month longer and that grants for said program also cover equipment operators and supervisory staff.

[Mr. Habel.]

(Translation):

This shows, Mr. Chairman, that the existing program even though it has its good points, is certainly inadequate in other respects and that the speeches of the members of the opposition are not made to oppose the winter works program, but rather to point out its flaws to the government and make suggestions which could easily be implemented.

Mr. Chairman, I was also saying before one o'clock that some government members from my province, namely the province of Quebec, seemed to give all the credit to the federal government. As far as I am concerned, I am willing to give this government the credit it deserves for its participation in this program. However, it would be sensible, I think, for government members from the province of Quebec, and from all the other provinces for that matter, to give some credit to the provinces and the municipalities.

For example, after reading an article published in *Le Devoir* of yesterday, I find that, this winter, the amount earmarked for winter works in the province of Quebec will total $81 million. Of that amount, thanks to an agreement reached by the provincial and federal authorities, the province of Quebec will pay $11,160,172 for labour costs whereas the federal government will pay $13,950,262. That clearly indicates that while the federal government is paying 50 per cent, the provincial government is paying 40 per cent. However, something else must be added: the municipalities will pay the sum of $3,286,576. That means that the total amount put up by the provincial government and the municipalities for the carrying out of such winter works in a province would be $14,446,000, compared to $13,950,000 put up by the federal government.

Therefore, in all fairness, a large share of the credit for that winter works program should go to the provincial governments and the municipalities. It must be noted, Mr. Chairman, that this total represents only the amounts paid in salaries. What about the cost of materials and machinery needed for carrying out the work? The provinces and municipalities must bear it alone.

In my opinion, that proves that there is a flaw in the winter works program.

The hon. member for St. Hyacinthe-Bagot (Mr. Ricard) stated yesterday that Liberal members seem unable to distinguish between the federal government's contribution of 50

per cent and that of the provincial government, which is 40 per cent. It is easy to work out the difference for someone who has reached the third grade level. It is a 10 per cent difference.

What the hon. member for St. Hyacinthe-Bagot did not explain is the difference between 40 per cent and the Union Nationale's failure to contribute anything. That is a difference of 40 per cent. The hon. member did not work that out. No doubt he could have made the calculation, Mr. Chairman. He was able to do it, but he deemed it advisable not to do so.

Mr. Chairman, I have no intention of taking the 30 minutes I am allowed. I spoke for 12 minutes before one o'clock. I said certain things which deserve consideration. I shall continue along the same lines, since I shall now refer to the construction of technical schools.

I must tell the minister that a technical school is under construction in the community where I live. I wish to thank him on behalf of all my constituents. That project will certainly be most helpful to the people of the district.

That program was already in existence under the Liberal government, but the federal contribution has been somewhat increased, if my memory serves me right. However, we approved that measure to permit the construction of technical schools. What surprises me is that when the Liberal government was contributing to the technical school building program, the province which was refusing subsidies for winter works was also turning down grants for the construction of those schools.

The Quebec government refused federal assistance for the construction of technical schools for four or five years.

It is surprising to see that it was the government headed by the political leader of the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon)—Mr. Barrette's government—which was turning down the federal government's offer of financial assistance for the construction of technical schools.

Mr. Pigeon: Mr. Chairman, I rise on a point of order. The statements made by the hon. member just now are not true.

The Chairman: I think that if an hon. member is not in agreement with what is said by the hon. member who has the floor, it would be better if he waited until the latter has finished his speech before answering back.

Mr. Habel: Besides, Mr. Chairman, I have only good feelings toward the hon. member for Joliette-L'Assomption-Montcalm. I had the occasion recently to make a trip in his company and I learned to know him better. There is one thing, however, that I always find disappointing. In spite of all my efforts, he will not listen to reason.

(Text):

Mr. McGee: Will the hon. member permit a question?

Mr. Habel: When I am through I shall be glad to do so. I can answer any questions the hon. member may ask.

(Translation):

On top of what the municipalities and the provinces have to pay.

I was blamed for quoting a political advertisement yesterday. I am going to quote another one, this time from the 1957 campaign. This one is more recent than the one I quoted the other day since that one dated back from 1956.

This advertisement refers to a Conservative candidate running in the province of Ontario, in a constituency next to mine. I quote:

(Text):

Do you wish to pay another further sales tax of 3 per cent to 5 per cent on everything you buy?

(Translation):

Now, the Liberals are being accused of playing off one province against the other. Well, I should like the hon. member for Joliette-L'Assomption-Montcalm to listen to this, and I quote the *Daily Press* of June 1, 1957:

(Text):

You shouldn't have to support municipalities in other provinces, when there is so much to be done in the Porcupine area. You should not be forced to pay additional sales tax, because the Liberal government refuses to give Ontario a fair share. You can raise your voice in protest.

(Translation):

Mr. Chairman, I believe the province of Ontario sent enough Conservative members to the house to indicate that it was protesting against the former administration.

The number of Conservative members in this house indicates that people did object, and that the program announced by the party in the federal election had a following. But the strange thing is that, today, we are paying a 3 per cent tax imposed by a Conservative government because it did not receive the $100 million it had been promised by the present Prime Minister of Canada.

Now, Mr. Chairman, municipalities contributing to winter works are paying the federal sales tax as well as the 3 per cent provincial tax.

That is the way, Mr. Chairman, in which this government fulfils the promises made in 1957-58.

Mr. Chairman, as I said before the house took recess, in a district like the one I represent, winter works are practically impossible.

There is one thing to which the hon. minister should pay particular attention, and that is the possibility of announcing his intention of sharing the cost of such works earlier in the season.

First of all, he will admit that, since the government took office, he has only announced in the late summer his intention of participating in such works during the year.

Now, municipalities have to prepare their budget in January, February, and sometimes in March. They are therefore quite unable to take any account of those winter works at that time. Therefore, even when the government announces its intention of continuing the winter works program, in July or August, municipalities can take no part in it because they cannot provide for this program in their budget.

The Minister of Labour, and the government, should tell us once and for all whether winter works will go on for a few years so that the municipalities can budget in order to take advantage of the program.

In closing my remarks, Mr. Chairman, I wish to mention again that a technical school is being built in my community and that the school board appreciates the assistance given both by the federal and the provincial governments.

We hope that this school will train young people to take up the challenge of life, or rather, I should say, the challenge of mechanisation we have nowadays.

I wish to thank the minister for the contribution his government has added to that we already had towards the construction of this building.

If my memory serves me right, Mr. Chairman, the former government was paying 50 per cent while the present government has raised this contribution to 75 per cent.

I wish to mention this, for, as I mentioned at the outset, I want to give credit where credit is due.

If the government, in order to fulfil a promise, has found a way to set up a winter works program, it has, on the other hand, burdened the municipalities and the provincial governments by making them share the cost of fulfilling this promise made by the present Prime Minister who had not, however, sought the permission of the municipalities or of the provinces.

An hon. Member: Such is not always the case.

[Mr. Habel.]

(Text):

Mr. McGee: The hon. member said he would reply to questions at the conclusion of his remarks. Having in mind that the Liberal party professes great concern about the unemployment problem and particularly the vocational training aspect of the over-all problem, would the hon. member explain why the Liberal government in the province of Quebec has only seen fit to participate in the over-all program of construction of vocational and technical training schools to the extent of $6 million whereas a Conservative government in the province of Ontario, which does more than profess interest, has participated to the extent of $139 million?

Mr. Habel: My answer will be given with pleasure. I simply say that the government of Ontario was able to benefit from the amount paid by the former administration to the extent of 50 per cent. Now they are taking advantage of the addition of 25 per cent more paid by the administration. In other words, Ontario was prepared for such a program so they could go into it more easily while on the other hand the province of Quebec refused for years to participate in the program. The fact is that the administration in Quebec was overburdened with debts incurred as a result of promises that had been made by a Tory administration.

Mr. McGee: The plan has been in effect for two years. What are you waiting for?

Mr. Badanai: Mr. Chairman, last night the minister made a statement to the effect that the opposition had been critical of the action of the government in devaluing the Canadian dollar. I have not heard anyone on our side of the house make such a statement. As a matter of record, may I say that I for one have advocated the devaluation of the dollar for the past two years as a measure to stimulate exports and discourage Canadians from buying abroad. I know of no member of the official opposition ever having made a speech against the devaluation of the Canadian dollar. I should like to hear the minister say who made such statements and where they are alleged to have been made.

It was agreed that the two items under consideration should be considered at the same time to facilitate debate without unnecessary repetition, but we have heard much repetition yesterday and this morning on both items which are very closely related and involve $90,000 for publicity for the do it now campaign and $40 million by way of contribution to the municipalities under the winter works program. The minister referred first to the item of $90,000 to be spent for publicity to promote the do it now campaign.

This program, sponsored by advisory employment boards to the unemployment insurance commission and aided by the regional employment commission managers throughout the country, began some years ago, and I agree with the minister that it is being supported as a desirable means of providing additional winter employment.

The lakehead unemployment advisory board has carried on a do it now winter works campaign since its inception and with considerable success. We are fortunate to have men and women capable and willing to serve on these boards without remuneration of any kind. They certainly deserve the appreciation not only of those for whom they are helping to create employment but of the communities and the government. They spend hours at every meeting, some of which I have attended, trying to find ways and means of alleviating the vicious disease of unemployment.

In yesterday's issue of the *Globe and Mail* there is a story from Fort William reporting the sad statement by the city welfare director that 800 persons are now on relief, the greatest number reported at any one time since the depression of the 1930's. The welfare officer is reported to have said that the figures now stand at the highest level since the department started to keep accurate statistics.

There is no question of our support for the voting of this money to help to provide winter works. The idea of a federally assisted municipal works program was first put forward by the federation of mayors and municipalities at a winter employment conference convened by the Minister of Labour in Ottawa on July 14 and 15, 1958. Subsequently the proposal was again advanced at an informal conference held in Ottawa from October 6 to 8, 1958, between the federal cabinet and representatives of the federation of mayors and municipalities. Shortly after the adjournment of the informal federal-municipal conference, the federal government announced the first federally assisted municipal winter works program.

Seasonal unemployment is a continuous problem which is more or less peculiar to Canada both in good times and in times of recession. We feel it more today than at any other time during the past decade simply because of the widespread unemployment in fields where, up to a few years ago, it was only of a temporary nature whereas now it has assumed proportions with which it is hard to cope. The special provision for a program to combat seasonal unemployment by the introduction of an expanded municipal winter works incentive program is to be commended, and while it will not cure the hard core of unemployment it will certainly help to absorb a number of men from the ranks of the unemployed.

The minister also made a statement to the effect that the average labour content of all municipal works is about 35 per cent. I regret to inform the minister that I do not agree with his statement. Since the federal government pays only 50 per cent of the labour costs, the federal government's share of the total cost of municipal projects amounts to approximately 17 per cent. This means that the municipalities involved bear the major brunt of the expenses incurred in the municipal winter works program. The provinces which contribute 25 per cent of the labour costs—I say this for the benefit of the hon. member for York-Scarborough who has just left the chamber—are Alberta, British Columbia, Manitoba, Ontario, Prince Edward Island and Saskatchewan. The province of Quebec contributes 40 per cent and Manitoba's contribution is 50 per cent provided the persons employed under the scheme have been on unemployment relief for a continuous period of 90 days.

In order to make this winter works incentive program really effective the government should also provide assistance to meet the costs of material, such as steel in the construction of bridges. In short, what the municipalities want is the government to share in the cost of materials used in the winter works program. The Canadian federation of mayors and municipalities, and other municipal associations have, from time to time, passed resolutions urging the federal government to establish a municipal loan fund from which municipalities may borrow money at a low rate of interest to finance local improvements. The participation of the government in costs of materials used in winter works projects, and the establishment of a municipal loan fund would give the winter works scheme a real incentive which would more than double, probably treble, the number of projects which municipalities would be able to undertake.

The submission of the Canadian federation of mayors and municipalities, presented to the government on November 10, 1961, deals at one point with the municipal winter works program. I wish to quote a few paragraphs from that submission which I think should be put on the record. They read:

> One major obstacle to fuller municipal participation is the lack of any provision for financial assistance toward the cost of materials. Another

obstacle is the very real difficulty some municipalities have in obtaining the money needed for capital undertakings and at reasonable interest rates. Still another difficulty is that it is not practicable for municipalities—although they are willing to reschedule their work requirements as much as possible to the winter season—to make a sharp division between the seasons.

Moreover, while unemployment varies seasonally —although the highest incidence is in the winter— there is a serious amount of unemployment in all seasons. The need is for an all-year employment program of municipal works, which would extend both into and beyond the winter season, with provision for the scheduling of as much as possible of such work to meet the peak periods of unemployment in the winter... there are strong and compelling reasons why all levels of government should participate in the costs of essential municipal works irrespective of the season of the year in which they are taken. And there are equally good reasons why government-assisted employment measures should be maintained on a year-round basis.

For these reasons, the federal government is requested to give consideration to the following proposals:

(1) That federal loans be provided to municipalities for capital works programs at a favourable rate of interest—extending the practice now followed in the financing of sewage facilities.

(2) That federal contributions to municipal works be extended throughout the year with the federal government contributing a proportionately greater share of the labour and material costs involved for such work undertaken during the winter months of the year. If this is not feasible, the time should be extended to permit completion of projects already commenced during the winter season.

(3) That municipal works for which federal aid is available under other forms of assistance (e.g. railway grade crossings) be considered as allowable projects for federal-assisted municipal winter works programs.

(4) That measures be taken to assure prompt interim payments of the federal government's share and early final settlement of all federal-assisted municipal works programs.

As matters now stand, communities which would like to go ahead with a program of local improvements, but feel they cannot afford the costs and high interest rates, are inclined to postpone construction indefinitely, or to do it in the summer when costs are normally lower. The elimination of sales tax on building materials would also be a help to stimulate and speed up the execution of municipal works.

Mr. George Mooney, executive director of the Canadian federation of mayors and municipalities, made a statement some time ago that municipal governments across Canada are operating in a financial strait-jacket, a statement with which I fully agree. He knows that there is no city in Canada, large or small, that is not up to its neck in debt. Municipalities cannot depend only on property taxation for revenue, and should participate in some form of federal assistance. The Prime Minister himself recognized the problem when, during the 1958 election campaign, he promised that his government would set up the municipal loan fund to provide low interest loans to municipalities.

It is all very well to try and stimulate the municipalities to proceed with winter works projects. I am all in favour of it, yet the government is offering the municipalities a cart without a horse, or bricks without mortar.

Having served my city of Fort William as an alderman and mayor, my sympathies are naturally with the municipal authorities and their financial problems. Indeed I am sure that the Minister of Labour, who served his city of Oshawa in similar capacities, must feel the same way as I do. The success of the winter works incentive program can only be achieved if the federal government proceeds to establish a municipal loan fund and enlarge its contribution by assuming a portion of the costs of materials used in these winter projects.

The Chairman: Shall the resolution carry?

(Translation):

Mr. Denis: Mr. Chairman, I had no intention of taking part in this debate. So small is the gift being offered by the government to those who are now unemployed that I could not bring myself to attach much importance to it. But having heard some of my colleagues, the one from St. Hyacinthe-Bagot (Mr. Ricard) and the other from Joliette-L'Assomption-Montcalm (Mr. Pigeon), I feel it is my duty to challenge some of the statements they made and I am going to make certain remarks about the slight success being achieved today by the winter works program, as compared to the nil results obtained by this program which the government introduced in 1958 and which was also in force in 1959 and at the beginning of 1960, when our Conservative colleagues from the province of Quebec still had as friends close to the provincial government the members of the Union Nationale and, as leaders, first, Mr. Duplessis, then Mr. Sauve, then Mr. Barrette, then Mr. Prevost, who, one after the other, all refused to do anything whatsoever to add to the little that the present federal government was offering in the nature of assistance to the hundreds of thousands of unemployed.

I heard yesterday the hon. member for St. Hyacinthe-Bagot give a long list of projects for this year. I think he mentioned five communities in his constituency and said that 206 unemployed were provided with jobs through that winter works program.

I submit, Mr. Chairman, that at a rate of 200 unemployed per constituency and sometimes less, it will certainly be a while before

all our unemployed are supplied with jobs and a good many hon. members will have to rise here and give us their list of winter works to prove that this winter works program supplies jobs for hundreds of thousands of unemployed, as the minister claims.

Some 200 people have now found jobs in the constituency of St. Hyacinthe-Bagot for two reasons: first, there is no Duplessis government in Quebec and the Lesage government assumes 40 per cent of the cost of the wages paid under the winter works program; second, if the hon. member for St. Hyacinthe-Bagot can boast about having supplied jobs to 200 unemployed as a result of that legislation, it is because it was extended this year in line with the recommendations and suggestions put forward in this house since 1958 by the Liberal party, when this winter works program began.

The hon. member complained about the fact that Quebec was contributing only 40 per cent of the cost of wages, but that, as he said, some of his friends who previously did not contribute anything—

Mr. Ricard: Mr. Chairman, I rise on a point of order. I wish to correct the statement made by the hon. member for St. Denis (Mr. Denis) because I did not complain at all about the fact that the Quebec government contributed 40 per cent—

The Chairman: I feel that the hon. member for St. Hyacinthe-Bagot should postpone his corrections to the end of the speech of the hon. member for St. Denis.

Mr. Denis: Mr. Chairman, I do not object at all to the hon. member for St. Hyacinthe-Bagot trying to imitate the hon. member for Joliette-L'Assomption-Montcalm, but he should at least find some other means of doing so, because he is taking the floor much too often.

Mr. Pigeon: The hon. member for St. Denis is the biggest liability to this nation and, therefore, to the province of Quebec.

Mr. Denis: Mr. Chairman, you have just heard the hon. member for Joliette-L'Assomption-Montcalm, more zany than brainy.

And now to continue with my remarks I shall come back to the hon. member for Joliette-L'Assomption-Montcalm and his eloquent speech of yesterday.

As I was saying, the hon. member for St. Hyacinthe-Bagot boasted that Ottawa was contributing much more than the Quebec government, that is 50 per cent against 40 per cent by Quebec.

And now, what must he say of the other provinces which contribute only 25 per cent? I think it is the province of Quebec which contributes most to the winter works program, and the hon. member for St. Hyacinthe-Bagot is not satisfied. Would he like things to be as they were in years gone by, when Mr. Duplessis and the Union Nationale were in power, while the city of St. Hyacinthe, the city where he lives, had no project at all?

If 200 people are now working in his constituency, he certainly should thank the Liberal government in Quebec and its decision, and not the winter works program introduced by the Conservative party in Ottawa.

And now, coming back to my friend the hon. member for Joliette-L'Assomption-Montcalm, who spoke at length yesterday—I don't know whether he was speaking extemporaneously, or whether he was reading a speech, or quoting from a newspaper or whether he mistook one reading room for another—

Mr. Pigeon: If you don't know, shut up.

Mr. Denis: I don't know whether he mistook one parliament building for another, because he spoke of the provincial government all the time.

Mr. Pigeon: You are speaking of it yourself.

Mr. Denis: And in reading over his speech, I note that more than half of it is stuffed with long quotations. So, I am of the opinion that the hon. member for Joliette-L'Assomption-Montcalm is misusing the time of the house by using it as a reading room. And all this to say that the Union Nationale was much superior to the provincial Liberal party now in power, while those people of the Union Nationale were doing nothing to contribute to the winter works program.

I must remind the hon. member that since the Liberal party has been in power in Quebec, advantage has been taken of all joint programs that could provide jobs to unemployed people in the province of Quebec.

I shall list only a few, such as the construction of the trans-Canada highway and of access roads to forests.

If I am not mistaken, the hon. member for Joliette-L'Assomption-Montcalm was secretary to the Hon. Antonio Barrette. I do not know if he kept the correspondence or the files from him, but I do know that Messrs. Barrette and Duplessis were against Quebec's participation in the building of the trans-Canada highway.

Now, Mr. Chairman, you realize no doubt that the building of a trans-Canada highway provides employment.

You are aware also that all provinces except Quebec took advantage of the joint plan for the construction of the trans-Canada highway in order to give work to the unemployed.

You are not without knowing that the construction of access roads to forests provides jobs for the unemployed.

I know that the hon. member for Joliette-L'Assomption-Montcalm was against that and now that the provincial government has decided—

Mr. Pigeon: Quote me.

Mr. Denis: —to give work to those unemployed, to accept its share of the federal government's money, we hear the hon. member for Joliette-L'Assomption-Montcalm rise and claim that it is unfair, we see him convene the mayors—

Mr. Pigeon: That is not true.

Mr. Denis: —of his riding's parishes to protest because the trans-Canada highway does not run through the constituency of Joliette.

Can you hear those people who did not want the highway at the time complain because it does not run through the constituency now that it has already been decided that is should pass elsewhere.

Mr. Pigeon: Mr. Mongrain shares my opinion.

Mr. Denis: I now come to the hon. member for St. Hyacinthe-Bagot.

The trans-Canada highway goes through his constituency. But do you know what he says, he who was so opposed to the construction of the trans-Canada highway? Here is what he says: "Is it not a shame? The provincial government has decided to cut through our farm lands".

Mr. Pigeon: What a clown.

Mr. Denis: There is no way of getting along with these people. Either they object or, when things run smoothly in spite of them, they complain that things are not going according to their tastes.

Well, if they do not keep pace with progress, Mr. Chairman, I am very much afraid that progress will pass them by.

Mr. Pigeon: You sound like Seraphin.

Mr. Denis: And they are not the only ones.

[Mr. Denis.]

Last year, the hon. member for Chapleau (Mr. Martel) boasted, in this house, that he had succeeded in getting three roads of access built in his constituency.

Here are those roads of access: Amos-Matagami, Chapais-DesMaraisville, Wacoumichi-Albanel. The hon. member for Chapleau boasted in this house that he had obtained the construction of those three roads, and I do not blame him for it. But you must know, Mr. Chairman, that I am sure those roads could have been built years ago. Why were they not? Because our hon. friends from the Conservative party were in power in Quebec.
(Text):

Mr. Pigeon: Use your brains and put your brakes on, the next time.

(Translation):

Mr. Denis: As far as the Amos-Matagami road is concerned I must explain that they made a last minute effort—probably knowing that they would not succeed and so, they could blame the federal members—to have the Amos-Matagami road built on a cost-sharing basis by the federal and the province but their request was turned down because the contract had been allocated without calling for tenders.

That is the reason why one member of the present Quebec cabinet refused to accede to the request of our friends of the Union Nationale. And now that the province of Quebec has a Liberal government, those three roads have been built thanks to Mr. Lesage's administration. Yet, those people are still not satisfied. Indeed, I wonder when they ever will be.

Mr. Pigeon: When you stop talking.

Mr. Denis: When will they be satisfied with the generosity of the Liberal party in the province of Quebec?

Old age assistance was even refused in that province, where unemployment was among the highest in this country.

Mr. Ricard: Old age assistance was not refused.

Mr. Denis: I am sorry, it was not old age assistance, but unemployment assistance that was refused.

Mr. Pigeon: This is because you do not rise often enough in the house; it is a lack of habit.

Mr. Denis: I thank the hon. member for Joliette-L'Assomption-Montcalm for reminding me. But now, he knows we are discussing unemployment assistance, and assistance to people without work who may not benefit

from unemployment insurance. Is he aware of it or not? Does he know, or does he not know that the unemployed who does not get unemployment insurance is worse off than the man who does? Does he realize that?

When the Union Nationale administration was in power, all assistance to the unemployed was refused. And what were its supporters doing all the time? They were distributing kick-backs to their "needy" relatives and friends while the "wealthy" unemployed were left to starve.

That is what I infer from the stand taken by the friends of the Union Nationale.

Members of the Union Nationale are close friends of the Conservative members from Quebec in the house, but I also know that some of them have disowned their former friends. But the fact remains that if those friends of the Union Nationale had not taken part in the last election campaign in Quebec in the manner we know, I wonder how many of them would be sitting in the house?

To show how a Liberal government has been beneficial to the province of Quebec as far as the winter works program is concerned—I am addressing myself now to the hon. member for Joliette-L'Assomption-Montcalm—I will give some facts, not merely do some guesswork. I am not quoting newspapers; these are facts that you cannot deny.

Knowing how much my colleague from Joliette-L'Assomption-Montcalm likes to talk, familiar as I am with his ideas and his nervousness, being aware that he likes to interrupt without giving other members a chance to reply, that he has probably fooled some of his friends by not letting them speak, I will now give facts.

The Chairman: I would ask the hon. member to please address the Chair.

Mr. Denis: It is with pleasure that I address myself to a more intelligent person than the previous one.

In 1958-59, 649 Canadian municipalities took advantage of the federal government contributions. In the province of Quebec, under the Union Nationale regime, the figure stood at 82, while in Ontario there were 208 of them. In 1959-60, the results were the same, with about a hundred more for the whole of Canada, a little more in Quebec.

But comes 1960-61. In Quebec, 600 municipalities availed themselves of the winter works program. In 1961-62, this year, the number goes up to 875.

In 1958-59, 169 projects were carried out in the province of Quebec under the Union Nationale government. In 1959-60, always under the same administration, there were 174. In 1960-61, under Mr. Lesage's Liberal government, 1,720 were carried out, and 1,854 projects were approved in 1961.

You can see, Mr. Chairman, how beneficial it is for the province of my hon. friend from Joliette-L'Assomption-Montcalm to have a Liberal regime. In 1958-59, the federal contribution amounted to practically nothing. In 1959-60, the federal contribution to the province of Quebec under the Conservative winter works program, totalled $1.9 million in cash.

I would remind the hon. member for Joliette-L'Assomption-Montcalm that in 1960-61, with a Liberal government in power in the province of Quebec, the federal contribution reached $13.3 million. In 1961-62, it will be $14 million.

You can see how things change when a Liberal government takes over from a Conservative government in Quebec. You can see what it means to our unemployed. At least, the money we paid in taxes to Ottawa has found its way back to us, while, under the Union Nationale regime, we had nothing to eat but sweet autonomy.

Mr. Pigeon: Do not worry. It will be the end of you at the next election.

Mr. Denis: Now there has been boasting here about improvement in the unemployment situation in the last months. Well, it is in the province of Quebec that the improvement is mostly felt. If that statement is untrue, Mr. Chairman, I would like the minister to refute it.

Mr. Pigeon: That is easy.

Mr. Denis: I know that the hon. member for Joliette-L'Assomption-Montcalm finds everything easy, especially when he gets away from the facts. Yesterday, I asked the Minister of Labour whether all improvements in the winter program were not the result of suggestions from the Liberal party.

As you know, Mr. Chairman, all those who rose on this side of the house have always complained that the winter works program was announced too late. The Liberals always complained that the period during which the work was to be carried out was too short. The Liberal members who spoke complained that the special work, the types of employment which would be offered were too limited. This can be found on practically every page of *Hansard*, in almost every speech.

Is it not true that this year, the program was announced earlier? Is it not true, also, that this year and last year, instead of beginning in December, the period during which

the projects could be carried out was extended to last from October 15 to the end of April? Furthermore, is it not correct, Mr. Chairman, that in 1961, the winter works program contained a greater variety of projects? And to prove that those are suggestions of the Liberal party, I shall quote what the hon. member for Essex East (Mr. Martin) said on February 12, 1960, as can be found on page 1018 of *Hansard*. This is what he said:

How is it possible to do any of the projects within the narrow field of this plan?

And a little further on, he said:

First the length of time has to be stretched out so that it can be used in the month of October and November and in March and April—

And still further on:

The projects themselves have to be broadened—

And he also complains, in the same speech, about the delay in announcing the program. I shall read almost textually, the letter written by the Minister of Labour to Mr. Lesage, in 1961—

Mr. Pigeon: You are quite confused there.

Mr. Denis: I am now quoting the letter of the Minister of Labour:

We have been satisfied with the success of this first joint program, but we believe that there would be a way of fighting more efficiently against winter unemployment by broadening out the projects comprised in the program.

This is almost word for word what the hon. member for Essex East stated on February 12, 1960. And, for 1961, may I quote again from the letter of the Minister of Labour to Mr. Lesage:

We have again broadened the scope of the program.

Why was the scope of the program not broadened at a time when there were more unemployed than there are today? Why leave people in need for years before deciding to yield to the reasonable suggestions made by the opposition, or by the mayors of the various municipalities, and the various newspapers which have been almost unanimous in complaining of the fact that the winter works program was arriving too late. The newspapers have been almost unanimous in advocating an extension of the period during which the works can be carried out.

I have before me a list of editorial headlines. This is what the newspapers had to say:

The unemployed are being laughed at.

These are the words of Alderman Matte, of Quebec city.

Unnecessary expenses are being planned for.

That is the opinion of Alderman Burns also of Quebec city. You contend to be making handouts to the unemployed, but do not forget that this contention is far from the truth: the handouts to the unemployed are not being made by the present government, but rather by the municipalities, since they pay 85 per cent of the costs relating to winter works.

Mr. Filibotte of Quebec city states:

Government publicity paid for by municipalities.

And Mr. Dozois:

The misleading nature of the legislation.

The latter is a friend of the hon. member for Joliette-L'Assomption-Montcalm. Instead of practising distributive justice and giving to one's "needy friends", the "rich unemployed" receive nothing.

A rush improvisation. You wonder whether it is not a bluff.

That one was from the *Citizen* and dates from December, 1958.

Absolutely inadequate assistance.

That is from Mayor Foucher, of Shawinigan. Mayor Hamel, of Quebec city, voiced exactly the same opinion.

A palliative—

Said Professor Art Lerner, director of the department of economics at Sir George Williams University. When he was in Quebec, Mr. Paul Sauve, had a laugh at the winter works program.

Ottawa should be more generous.

This is from the joint committee on winter construction works.

A drop in the ocean; a monumental joke—

—asserted Mayor Foucher, of Shawinigan.

Inadequate help—

—stated Mayor Nadeau, of Sherbrooke.

The experience of 1958-59 has been useless.
To put all the municipalities on the same level, various areas of the country should have been zoned. Quebec, on account of the cold weather—

—said Mayor Boivin.

Mean and insufficient program.
A drop in the ocean of unemployment.
Burden for municipalities.
Mr. Starr's "peanuts".

I also wish to mention the title of an article, a comment by a friend of the hon. member for Joliette-L'Assomption-Montcalm, Mr. Clement Brown:

Short of the country's needs.

This is what Mr. Clement Brown said on December 14, 1959. And I could continue indefinitely the list of comments by reporters, economists and specialists who complained about the meanness of this project.

Mr. Lesage made certain suggestions since he took over.

Mr. Pigeon: Twenty two new taxes in Quebec.

Mr. Denis: I am in favour of taxes to supply jobs for our unemployed, and I do not mind telling the hon. member for Joliette-L'Assomption-Montcalm; I am in favour of an increase in taxes to supply bread to those who have none. But I am not in favour of tax increases such as were applied in the past by the Union Nationale for the kind of distributive justice that was practised then. I am in favour of giving bread and butter to the unemployed, but I am not in favour of getting relatives and friends "in the paint" as the Union Nationale did.

Mr. Lesage offered the federal government to pay part of the cost of the material and equipment. Has the Minister of Labour answered that offer? Does he remember that when Mr. Mackenzie King took over in 1935, in order to offset Mr. Bennett's shortcomings, he shared in an extensive program of public works across the country and that he paid half of the cost? The "bout-de-l'île" bridge which is in the vicinity of Joliette riding was paid for by the government to alleviate unemployment. The Pie IX bridge was partly paid for by the federal treasury in order to help the unemployed who were put out of work by Mr. Bennett.

The more it changes, the more it remains the same.

This government offers to pay half of the wage costs of additional labour you have to hire under the winter works program. That does not include foremen, regular employees, civil servants, accountants, architects, engineers, etc., but only the additional labour. But this cannot apply only to labourers, since the projects eligible under the 1958-59 plan included only sewer projects and sidewalks. Street lighting has been added since and now, thanks to the Liberal party, certain municipal building projects were added. I rose to speak about that one or two years ago and I blamed the government for not including tradesmen in this winter works program. I asked the minister to include buildings and construction in the winter works so that tradesmen—carpenters, bricklayers and electricians could work. It is only today that this can be done, that some constructions are allowed. But it was in 1958 and 1959 that these projects should have been allowed under the winter works program, and not three years after it has been in operation; not when you claim that the number of unemployed is lower today than it was two years ago.

The Chairman: Order. I regret to interrupt the hon. member but I must tell him that his time has expired.

Mr. Denis: I only have a few more words to say.

The Chairman: Will the house allow the hon. member to continue?

Mr. Pigeon: Mr. Chairman, you have not recognized me but I only want to tell the house that the hon. member must stop talking; he has said enough nonsense.

Mr. Bourque: Mr. Chairman, the unemployment situation is causing us grave concern, not only seasonal unemployment, which is particular to our economy, but the problem of a more threatening unemployment.

It is natural that local governments, being close to those who are affected by unemployment, and whose problems of municipal budgeting are intensified by the requirements of public assistance, should seek efficient and immediate counter-measures.

In each municipality across Canada, there is a considerable and increasing delay in coping with essential community needs, among which the most urgent are the following: housing—new and renovated—hospitals, schools, recreation services, civic centres, streets, roads, bridges and public transportation, underground water and sewer systems. In filling those needs, we find one of the finest opportunities of increasing the output of Canadian plants, as well as the number of Canadian workers.

(Text):

I have reason to believe that the winter works program can be a most useful method of attacking seasonal unemployment provided the municipalities throughout Canada can borrow the necessary funds to carry on the much needed projects for public works which they have on the planning boards. In other words, this plan should appeal to the municipalities provided they can borrow the money needed for the projects they have in mind.

I have the honour of being mayor of a prosperous municipality in the province of Quebec and my council and I have taken advantage of the winter works program to carry on many projects. The 50 per cent allocation on labour costs paid by the federal government plus the 40 per cent paid by the province of Quebec makes it a worthwhile plan in this province. However, were it not for the 40 per cent paid by the province of Quebec, the plan would hardly be worth while. We all know that work carried on during the winter months, during the cold weather, costs from 10 per cent to 15 per cent more than it costs in the summer months. For instance, a winter project that would cost $1 million might have a labour cost of $200,000. The federal government grant would be 50 per cent of this amount and the Quebec provincial grant would be 40 per

cent. Thus the municipality would have a saving of $180,000 but had the work been done in the summer months the labour cost would have been at least 10 per cent less, thereby reducing the saving to $160,000 or 16 per cent of the cost of the total project. As I said, I believe that this winter works program can be made very effective but in order to do so we must come back to the borrowing power of the municipalities. Canadian municipalities are experiencing unprecedented difficulties in their financing.

Your Honour, in the *Listening Post,* a leaflet published by the Canadian federation of mayors and municipalities, the issue of April, 1961, the question of municipal borrowing was dealt with at length. I should just like to read a few vital paragraphs which deal directly with this question of borrowing. The federation is in favour of the establishment of a municipal development bank, as am I, but time will not allow me today to deal with this important method of financing municipal public works. In this issue of the *Listening Post,* under the heading of "Une Banque de Développement Municipal" we find the following:

(Translation):

Municipal capital borrowing.

In their efforts to finance their backlog of capital works, they have to compete on the capital market not only with private enterprise but with upper-level governments.

For the last ten years, municipal governments have been piling up compulsory debts. Several municipalities have reached the point where the cost of debt servicing constitutes obligations which are out of proportion with their annual income. Directly and indirectly, in the last ten years, municipal works have been an important source of labour. If urban face-lifting and essential development works cannot go on, the result will be a serious spiral effect, not only on the works of municipal governments but indirectly on both commercial and residential construction.

While municipal governments wish to play their part fully to provide municipal works in highly essential capital projects and thus provide constructive work, their capacity to assume new debts depends largely on the cost of borrowing.

A federal municipal loan agency.

What the municipalities want is to have at their disposal capital money at a cost they can afford to pay. Due to their importance as basic community needs, several municipal works have a priority equal to those of upper-level governments. Therefore, it would only be fair to grant municipal governments the same advantages that higher levels of government have in regard to the capital market.

Municipal capital requirements must be raised to a level equal to those of the federal and provincial governments, as they rightly deserve.

In order that all municipalities may participate in the winter works program, municipal authorities should be given the same advantages as higher levels of government.

[Mr. Bourque.]

With regard to the money market, those who purchase municipal debentures should receive, with the approval of the province concerned, a federal guarantee as firm in principle as the federal government's guarantee on mortgages or railway debentures.

This guarantee on municipal debentures would eliminate one of the greatest obstacles to municipal development, it would strongly stimulate growth and renewal and would greatly contribute to the constant promotion of planned capital investments on the part of municipalities.

Not only would this provide employment but it would guide a great number of unemployed towards work which would enable them to earn a decent living, thus contributing to reduce by thousands the number of unemployed.

If the federal government were to guarantee municipal loans, municipalities could carry out necessary works programs.

As I said earlier, that would not only provide work for thousands of people but it would permit the fulfilment of basic common needs.

By making it easy for municipalities to borrow at a low interest, the federal government would make it possible to carry out extensive works, thereby removing numerous workers from the list of unemployed getting benefits and enabling them to pay income tax.

On the one hand, this would cut down substantially the over-all costs of unemployment insurance and, on the other, increase materially the amounts paid by taxpayers.

That would be a good thing for the federal government as far as revenue and income tax are concerned; it would be a good thing for unemployment insurance because the practically empty fund could be replenished.

Thousands and thousands of workers could then obtain employment and not be out of work any more. They would become productive instead of being idle. The over-all economy would benefit from it.

(Text):

If I may, Mr. Chairman, I should just like to read a few lines from the *Listening Post,* a leaflet published by the Canadian federation of mayors and municipalities, the issue of February, 1960:

While it is generally agreed that something must be done to relieve municipalities of the financial stringencies under which they are operating, no embracing solution of the problem has been worked out.

Meanwhile, municipal governments have been operating within the limits dictated by their inadequate revenue resources and their restricted ability to borrow for needed municipal works.

On balance, they have been able to keep pace with the increased operating and administrative costs of municipal services and to finance the costs of normal local improvements... No municipality has been able to catch up with the full backlog of needed public works nor to undertake any renewal or improvement program commensurate with the need—

In recent months, the capital market for municipal bonds has tightened considerably. Because of the general shortage of capital investment funds the market has been more selective with interest rates... While yield prices of 6 to 7 per cent and more may not present any grave financing problem to private borrowers... the same cannot be said for municipal governments... Every percentage point increase in the cost of municipal borrowing adds tremendously to the over-all debt carrying charges which the municipality has obligated itself to repay, even if, thereby, municipal services are neglected and much needed community facilities and improvements are deferred.

—our municipal governments are not in a position to adequately tap the taxable wealth resources within their community and, as a consequence, are unable to command and obligate themselves to pay the high capital costs involved in undertaking the community improvements which are needed—

One of the serious disadvantages in today's money market is the legal restrictions within which municipal borrowing must take place... It is the view of the municipal governments that municipal borrowing costs can be made lower. To achieve this, appropriate action by the federal government is required.

Joint participation by the federal, provincial and municipal governments in the capital expenses of building waterworks, sewers and road building, paving, etc., would go a long way toward placing the municipalities of Canada on a sounder financial basis and enable them to undertake many improvements that they could not otherwise go on with. If municipal governments are to keep pace with their growth requirements, renew obsolescent municipal facilities and maintain their capital plant at a satisfactory standard of efficiency, they must be able to borrow and finance the cost of such improvements at the lowest rate possible.

The impossibility of municipalities carrying on works programs is contributing greatly to the unemployment situation existing today. In numerous cases works programs are at a standstill due to lack of funds. High rates of interest prevent municipalities from borrowing to carry on the improvement programs which they need.

The Minister of Labour will no doubt want to give serious consideration to the lending of money to Canadian municipalities at a low rate. There lies the cure to a large part of our unemployment problem. Low rate interest for public works in the municipalities of Canada would put many hundreds of thousands of unemployed to work immediately.

Mr. Chatterton: Mr. Chairman, since the inception of the winter works incentive program in 1958 I have been on the receiving end of the benefits of the program until the end of last year. Therefore I can speak with first hand knowledge of the effect of the program on the municipalities.

First of all I should like to pay tribute to the winter employment committee in my area which is known as the greater Victoria winter employment committee. It is composed of civic, labour and business leaders and these people give unstintingly of their time for a most worthy cause. I am very glad indeed that we are now proposing to advance the sum of $90,000 for their so far most effective campaign to promote the do it now program.

As I have said, sir, I have had some experience from the point of view of the receiving end of this program and I have seen how it operates on that end. I have listened intently to some of the statements made by hon. members opposite. It seems to me that their main contentions are, first, that the municipalities do not benefit from this program and, second, that the program does not aid in relieving unemployment.

The hon. member for Essex East, for instance, said that the city of Toronto paid some 61 per cent of the cost of their winter works projects. He was trying to convey the idea to the committee that the municipalities paid a larger share of such projects. Certainly they do. It was never intended that this program should pay the major part of the cost of these projects. The intent of the program when it was initiated was to encourage municipalities to undertake works in the wintertime and thereby encourage employment during that slack season. That objective has been attained.

If the city of Toronto had to pay 61 per cent of the cost of their winter works projects, then it follows that 39 per cent of the cost of the projects was financed by the senior governments. I feel that any municipality that can get 39 per cent of the cost of projects financed by other means certainly would be happy to receive such a grant. I am sure that the wise councillors of the city of Toronto appreciate that and if they do not I am sure the taxpayers do. Furthermore, Mr. Chairman, the 39 per cent is not repayable. It is an outright grant made by the senior governments.

The hon. member talks about a municipal loan fund and extending this program to benefit municipalities further. It has been mentioned that many municipalities in Canada do not participate in the program because they cannot finance their share. No one is more aware of the difficulties of the municipalities in Canada than I am. I know that they do not find the financial resources at their disposal satisfactory or adequate to meet their

own requirements. They cannot finance essential projects which their people demand and which are very often necessary to maintain the health of the people.

But, Mr. Chairman, it should not be necessary for anyone here to remind hon. members opposite that the municipalities are creations of the provincial governments. If the municipalities are the children then the provincial governments are the parents, and certainly the federal government has been very generous to these parents. This government has done more in the past five years to assist the municipalities across the country than the previous government did in 22 years.

Mr. Hellyer: They also raised interest rates.

Mr. Chatterton: Hon. members opposite, recognizing the error of their ways, realizing now their serious omissions of the past 22 years, want to jump on the government bandwagon of assistance to the municipalities. They come forward now with proposals for further assistance and extension of the programs started by this government. As I said, the present government has done more to assist the municipalities of Canada directly and indirectly in the last five years than the previous government did in 22.

Yesterday the Minister of Labour—I should like to commend his speech to all the people of Canada—outlined to us some of the measures taken by the government to assist in relieving the unemployment problem that we have in Canada.

To return to the question of assistance by the federal government to the municipalities, I would point out there are direct and indirect aids. I shall quote one example of direct assistance to a municipality in my own riding, that of Saanich. At this point I would extend an invitation to those who have not enjoyed Saanich's beautiful climate to visit the municipality. It is not 25 degrees below zero there, as it was here this morning. It is about 50 degrees above, which is quite normal at this time of year.

Through the winter works incentive program alone, the Conservative government has paid the sum of $168,000 to the municipality of Saanich. That is no bagatelle, Mr. Chairman. I am well aware of the difficulties of that municipality. They are similar to those of other municipalities across Canada, and I can assure you that this type of assistance, an outright grant of $167,000, was greatly appreciated by the people and council of the municipality. That was the amount of the federal government's direct grant. The provincial government pays another 25 per cent and, in certain cases, an additional 25 per cent. The total represents work to the value of at least $1.5 million, work which perhaps otherwise might not have been done. Parks have been created, ditches have been cleared, and many other works which benefit the people directly have been carried on through the municipal works incentive program, sparked by this government.

There are many other ways in which the government helps municipalities, and I shall quote one under part 6B of the National Housing Act. The municipality of Saanich received a loan of $428,000 from the federal government last year, at a considerably lower rate of interest than the municipality with its excellent credit rating could have obtained anywhere else, even with the guarantee of the government of British Columbia. In addition to the substantial benefit of the low interest rate, if the work is completed before March 31, 1963—which it undoubtedly will; it will be completed within the next two months—the federal government will make a direct grant by writing off 25 per cent of the loan which, in this particular instance, amounts to another $107,000 which the taxpayers and municipality of Saanich will receive.

I have mentioned but two examples of how the government is helping certain municipalities. These are direct aids but there is an incidental advantage to this type of program under which the assistance of the federal government, so to speak, goes directly to a municipality. In other words, it is earmarked for the municipality. Some of the provinces will not be in a position to take that money and use it for other purposes and so will not be in a position to take credit or the money paid by the federal government to the municipality. Believe it or not, quite a large amount of that is being done. Certainly the province in the far west is doing that every day.

I shall now deal with some of the indirect assistance which the government gives to municipalities across Canada. I refer to payments made by the federal government to the provinces. In beginning my speech I said the municipalities are the creation, and therefore, the responsibility of the provinces. If the federal government makes payments to provincial governments surely everyone can understand that this would put the provincial governments in a better position to assist the municipalities. Let me not be misunderstood. I reiterate that the municipalities need help. They need it badly, but let it not be said that the federal government

has not done all in its power—indeed much more than previous governments—to attain that objective.

In 1956-57 the government of Canada made payments to the provinces and provincial institutions of just under $700 million. In 1961-62, payments by the federal government to the provinces are estimated at something in the order of $1.5 billion, more than double. That being the case, if all provinces recognize their responsibilities to the municipalities surely some of that money can be used to relieve the problems of the municipalities. I regret to say that in the case of British Columbia that is not being done, but it is not the fault of the federal government. Any fault there might be lies in the fact that this money given to the provinces should have been earmarked in the same way as our contributions under the winter works incentive program and the National Housing Act, the same way as they are earmarked and tagged for specific use and relief of the municipalities.

I repeat that the municipalities need assistance but the winter works incentive program is not intended as the over-all end of assistance. I am quite sure, judging by the record of the federal government in the past, that further assistance will be forthcoming for the municipalities.

I have been invited by the Canadian federation of mayors and municipalities executive, although I am not officially a member, to attend with them in visiting the Minister of Finance on Monday week next, February 12. They are aware of the fact that I recognize the difficulties of the municipalities and that I shall do all I can to assist them. I feel certain that the government will continue its generosity to the municipalities, the generosity it has demonstrated in the past. The generous assistance and vast program that now exists are so complex that I feel the time is coming when all the assistance programs of the federal government, designed to assist municipalities, should be placed under the aegis of one department.

Certainly the federal government has indicated its willingness to assist municipalities, to listen to their problems and to consult them on further programs of assistance. In what I have said I think I have made my first point, that municipalities appreciate the assistance that the government has given them specifically through the winter works incentive program.

Some of the members opposite tried to make the point that this program is ineffective in creating winter employment. We all expect irresponsible statements from the hon. member for Peterborough and others on that side of the house.

Mr. Peters: We will see.

Mr. Chatterton: I shall quote one example. Since being elected to the house I have heard members opposite blaming the government for the unemployment situation as it exists. We certainly recognize it is serious but, in the first place, that is not a fair charge.

The minister and many hon. members have pointed out that the major causes of the unemployment problem have been inherited by this government from the previous one. Whether or not this government is responsible for the unemployment situation, if we are blamed for it then surely we should be given credit if that situation is relieved. The hon. member for Peterborough yesterday, as is reported at page 412 of *Hansard* admitted first of all—no doubt reluctantly—that there was an improvement in the unemployment situation. Then he said:

> This does not result from anything this government has done.

I know the opposition have to criticize, but certainly there should be a measure, even a small measure, of fairness. That is another example of irresponsibility from the far left side of this chamber. I think most hon. members, at least those on our side, recognize these things and I think the people of Canada are understanding that these kinds of statements will always come from that side.

Coming back to the value that this winter works incentive program has been relieving the unemployment situation, last night the Minister of Labour very effectively indicated the effect of this program on the unemployment situation in Canada. Neither the minister nor anyone on this side of the chamber has ever claimed that this is a panacea. This is not a cure-all. Many other measures have been taken by this government to relieve this serious problem. This is but one of them and, as was intended in the first place, this measure has been most successful.

I wish to refer to some figures for the greater Victoria area. I cannot break down these figures by municipalities because in my area the figures released from the national employment service are for the greater Victoria area. In the greater Victoria area since the inception of this program the federal government payment to four of the municipalities has amounted to $837,000. In addition to that, of course, the provincial government pays at least another 25 per cent of the direct labour costs. This brings the sum total of the payments received by the municipalities in that area to some $1¼ million.

As hon. members know, our wage rates in British Columbia are very high. Assuming that

the labour content of works undertaken by the municipalities is between 30 and 33 per cent, this represents some 400,000 man hours of work on site; that is, work created right on the spot by this program. That does not take into consideration the other work created by way of supplies and the use of equipment in this program. In my opinion this is a very substantial contribution to creating employment for the people in that area. I know that not only the municipalities but the local councils and the people in the area appreciate the assistance that has been given through this program.

The hon. member for Skeena tried to convey the idea that this winter works incentive program has been a failure because it merely shifts work from the summertime to the wintertime. He quoted a statement of Reeve Alan Emmott of Burnaby to the effect that in that municipality—and, he said, in the surrounding district also—200 people are not being released. I am relying on my memory here. Reeve Alan Emmott was quoted by the hon. member for Skeena as saying that they are not taking on any more men for the winter works program, but they are not releasing some 200 men who would otherwise have been released.

My interpretation of that statement is that if the winter works incentive program had not been there, the municipality of Burnaby would have released 200 men. What is the difference between taking on 200 men for special work and retaining 200 men who would otherwise have been released? Surely that argument falls to pieces when the hon. member tries to indicate that this winter works program is merely creating work in the winter that would otherwise have been done in the summer. In my own experience that is not so. I know that in my municipality and elsewhere in my riding a great deal of the work that has been done has been directly prompted by this program and would otherwise not have been done, not because the councils were not aware of the value and the need of these works but because they, as I have said, have difficulty in financing these projects which are demanded by the people. This program has prompted these people to undertake projects which would not otherwise have been undertaken.

The second point the opposition have been trying to make is that this program does not create employment in the winter. I am privileged to quote from the daily *Colonist* of January 6, 1962. This is a newspaper owned by the Sifton-Bell group. The headline in the *Colonist* of that day reads:

> More people working than in past decade—
>
> Year end unemployment figures, a sensitive barometer of the island community prosperity, indicate a healthier employment situation even for this time of year than at any time in the past decade.
>
> National employment service officers report a drop of some 30 per cent in the number of people seeking work compared with the same period a year ago.
>
> Using Victoria's figures as an example it is noted that the percentage of increase in unemployment between August and November in some years has risen as much as 109 per cent. Unemployment during this critical four month period soared by a whopping average of 90 per cent during the years 1954 to 1957.
>
> In 1961 the increase during this period was only 18 per cent.

Can those figures be construed as purely coincidental, with such a remarkable increase in employment in this period, even in my area where the impact of winter is not as severe as in other parts of the country? Can this be construed, as some hon. members opposite try to say, as being purely coincidental? Certainly not, sir. The increased employment during this period was caused first, as a direct result of this winter works incentive program and second, of course, by the over-all rise in the economy resulting from measures taken by this government. Certainly, it is the responsibility of the opposition to criticize, but we expect a certain measure of recognition for what has been done, a grain of fairness from hon. members opposite. I am one of the three youngest members of this house and I must say it is not easy to understand all the circumstances surrounding this debate. I have been here listening for three days. It was made clear at the beginning that hon. members opposite would vote in favour of this measure and approve this vote. I felt I should speak on the question, but when I heard that the opposition had been going on after lunch today, I could not understand why that should be so. One of the reasons which occurred to me was that they did not desire this measure to be passed. I know the municipalities are anxious to get their cheques, and I dismiss that possible reason for the delay in getting this vote.

Having heard the leader of the house say that the next item of business has to do with old age pensions, it occurs to me that maybe members of the opposition are not anxious to have that question discussed in the house. I certainly hope the show we have seen here today will not be carried on indefinitely. I know that on this side we are not only anxious to dispose of the present measures so that the municipalities may get their cheques, but we are anxious to get on to the next important item which, we have been told, has to do with increases in old age pensions, old age assistance and assistance to blind and disabled persons.

In my view the effect of this winter works program on the municipalities has been unreservedly good. First of all, the scheme has been well received. It has been appreciated by municipal councils across Canada. In addition, it has been appreciated by the people. This is one of the programs put forward by the government in respect to which it is easy for the taxpayers, the property owners and the public generally to appreciate the benefit of what has been done. Some of the other programs, as I have said, have not been passed on by the provincial governments and they have not been recognized by the people as emanating from the federal government. I believe the people of Canada appreciate this program. The use made of this scheme by the municipalities has, moreover, shown evidence of sound judgment. This has been my experience of the work carried out by the municipal councils in my own area and I am sure that is true also of the municipalities throughout Canada. I am satisfied that the projects which the municipalities have submitted under this program are sound. They are not relief projects which create work merely for the sake of creating it. They are projects which the councils consider to be essential, in many cases.

The Deputy Chairman: I am sorry to interrupt the hon. member's maiden address to this committee but his time has expired.

(Translation):

Mr. Clermont: Mr. Chairman, we are now discussing supplementary estimates Nos. 613 and 614 and, with the unanimous consent of the house, we may choose to deal with one or the other.

As regards item No. 613, we are asked to vote an additional sum in order that the government may continue to encourage Canadians to undertake work projects during the winter months.

Last fall, in November, I was glad to accept an invitation to take part in the official opening of the winter works campaign, known as the "Do It Now" campaign, in the town and surrounding district of Mont Laurier.

I was glad to use that opportunity to ask the people of the constituency of Labelle to take part in such an effort. However, I should like to bring to the attention of the Minister of Public Works (Mr. Walker) something which happened at the meeting. A film was shown by officers of the Central Mortgage and Housing Corporation pointing out how construction work could just as easily be done in winter than as at any other time. But I regret to have to inform the minister that the film was in English. The population of Mont Laurier and the surrounding area is 98.5 per cent French. I know that the officers apologized, saying that the French version was not ready, but I thought I should bring this to the minister's attention.

Mr. Chairman, I do not believe the federal government should take all the credit for this winter works "Do It Now" campaign. On this subject, I refer to the statement made the day before yesterday by the Minister of Labour (Mr. Starr), as published on page 403 of *Hansard*, and I quote:

> During the past eight years—

—and I repeat, Mr. Chairman, "During the past eight years"—

> —increased efforts have been made by government at all levels, by individuals, by communities and by national organizations to stimulate winter employment.

Mr. Chairman, under item No. 614, we are asked to vote a sum of money in order to make payments to the provinces for projects undertaken by the municipalities under the winter works incentive program.

Even if that program provided 121,197 jobs, according to the pamphlet published by the Department of Labour, it nevertheless has its limits, and I may say that the municipalities pay for most of the cost.

In answer to a question I asked on May 17, 1961, record No. 135, question No. 333, I received the following information:

The total cost of approved projects, as of May 12, 1961, was $289,911,087. The share of the federal government was $35,139,648, or 12 per cent of the estimated cost of the works.

I would ask the Minister of Labour to try and convince his colleagues of the cabinet that we should grant more assistance to the municipalities so that they can carry out those projects.

I know that several municipalities in the riding of Labelle would have liked to carry out works to reduce unemployment. They were unable to do so however, for many reasons. That is why I wonder if the government could help those municipalities buy the necessary materials and borrow money more easily and at a lower interest, thus enabling them to undertake those works and, in some cases, to purchase the equipment required for their execution.

Mr. Chairman, I see on page 24 of the list of Canadian municipalities which have submitted an application for assistance and which have projects under way, that the municipality of La Macaza has undertaken works.

Now, it is well known that La Macaza is the community where the government is building a Bomarc launching site.

During the by-election campaign in the riding of Labelle in October 1961, a Mont Laurier weekly, friendly to the present government, claimed that the construction of the Bomarc launching site would give work to hundreds of people and that millions of dollars would be spent to provide jobs for the unemployed. How is it then that in 1960-61 the municipality of La Macaza had to submit an application under the winter works program, when according to a Mont Laurier weekly, the construction of the launching site was to provide jobs for hundreds of people.

Mr. Chairman, I have already stated that there is a limit to what can be done with such works, especially when it is considered that in February, 1961 there were, according to D.B.S. figures, 719,000 unemployed, that is almost 12 per cent of Canada's labour force.

Mr. Chairman, before I finish, I should like to reply to certain assertions made by government members from Quebec concerning the Quebec provincial government. They claimed that Mr. Lesage said that he would settle the unemployment problem. Mr. Lesage never said any such thing, but he did say that a government led by him would shoulder its responsibilities in order to solve the problem.

And, to prove my point, I shall refer to an inquiry I made of the Department of Labour on December 21, 1960, file No. 35, question No. 45, concerning work projects submitted and approved by the province of Quebec.

First, going back to the year 1958-59, I find that, for this period, the Quebec government had approved, or secured approval for 289 projects. For the 1959-60 period, the number went up to 336. Then, for the 1960-1961 period, as at December 20, 1,333 projects were approved.

One of the reasons for this almost threefold increase over the number of projects carried out until then in the province of Quebec is that, a few months after taking over the government of the province, Mr. Lesage agreed to contribute 40 per cent to the winter works program.

Furthermore, it is a known fact that, what with automation and other systems which are being introduced in industry, the Lesage government has seen fit to pass legislation for the improvement of educational facilities in the province of Quebec.

[Mr. Clermont.]

Moreover, Mr. Chairman, I know that some of my colleagues who spoke before me have listed other measures taken by the Liberal administration in order to cope with the unemployment situation.

(Text):

Mr. Hellyer: Mr. Chairman, it is a matter of personal as well as national tragedy that this program remains as urgent as it is. It is a palliative, a stopgap measure. It is designed to treat a symptom but it does not go to the real cause of the disease. The plan has considerable support because of the desperate situation existing in the country today but there is at the same time a great deal of dissatisfaction with certain aspects of it. This dissatisfaction is not new. It has persisted since the plan was first announced.

As far back as August 9, 1959 there were reservations expressed by members of the Ottawa city council. I should like to read from an article which appeared in the Ottawa *Journal* of that date.

Mr. Pugh: Have you any up to date clippings?

Mr. Hellyer: Yes. I shall deal with them in a moment. The article reads, in part, as follows:

> Ottawa will be ready to take advantage of any winter works program grants the dominion government has to offer.
>
> Mayor Nelms, who said recently that dominion winter works assistance would have to be substantially greater than last year to be of any help, yesterday instructed civic departments to prepare lists of projects suitable for winter works.
>
> He maintained, however, that last year's contribution which amounted to about 10 per cent of the over-all cost of winter works projects, did little more than offset the additional costs incurred by doing the work in winter.
>
> Under last winter's program the dominion provided 50 per cent, and the province 25 per cent of the labour costs of works projects but the city paid the entire bill for materials and other costs.
>
> Controllers were unanimous in the view that the grants should be broadened to cover a share of the entire costs of projects involved.

Subsequently, Mr. Frost, who was then premier of Ontario, expressed his reservations in respect to this program. I shall quote briefly from an article which appeared in the *Globe and Mail* of Thursday August 25, 1960, a report from Queen's Park by Godfrey Hudson:

> The Ontario government has immense public works projects on the shelf that could be started in an emergency to combat mass unemployment. But this is not what Premier Leslie Frost regards as the long term solution. As he sees it, the answer to unemployment is Canadian industry in a position to compete with other world traders. "We are dependant on what we sell for our standard of living. While public works undertaken in a crisis

are necessary, they are only a palliative. They do not straighten out the economy," he said in an interview.

What is needed, he stressed, is a partnership approach by industry, labour and all levels of government to ensure that Canada remains in a favourable competitive stance. This country can use only a portion of what it produces. "Canada has got to compete in the markets of the world and in competing and selling we provide employment," the premier said.

Our own Minister of Public Works has reservations about public works as a measure to deal with the unemployment situation. He is quoted in an editorial in the Toronto daily *Star* of April 25, 1961. The editorial bears the caption "Public Works No Pipe Dream" and reads, in part, as follows:

Confronted with a delegation of unemployed in Ottawa yesterday, public works minister Walker took pains to disillusion them about public works.

Public works, he said, were the most expensive way of creating jobs. That they held the solution to unemployment problems was "a pipe dream that has been exploded long since."

The minister is too modest; perhaps the right word for him is unimaginative or inert. His statement that public works alone cannot solve unemployment can be quickly granted; and it was gratuitous because the jobless delegation hadn't claimed they could.

But public works can be an important part of an effective program against unemployment, a program such as the present government has failed to develop.

It is interesting that a minister who is part of the present administration should have such serious reservations about this program and still recommend it to this house from year to year. There is a further expression of opinion on this subject by the Toronto *Star* under the heading of "Winter Works: Small Pill, Big Ills". It is under date of June 2, 1961, and reads in part as follows:

The federal government's annual winter works program that ended this week has been beneficial. It did provide jobs. But there were serious deficiencies, and the Canadian federation of mayors and municipalities, meeting in Halifax, is justified in expressing dissatisfaction with it.

The federal government deserves some credit for having extended the program at both ends—from October 15 to the end of May. According to some Ottawa estimates, about 120,000 jobs were created directly, perhaps as many more indirectly.

But this was like headache pill treatment for a grave ailment. The Toronto projects provided 98,000 man-days of work, which amounts to 654 full time jobs for the 7½ months. The jobless total in the Toronto area in mid-March was, by contrast, almost 66,000. Across Canada the 120,000 jobs allegedly created lasted an average of only 40 days each, if the pattern was similar to last year's. Yet 705,000 persons still wanted jobs when spring began.

Nor is the program enough in a financial way to satisfy municipalities. Under it Ottawa pays half the direct labour costs, (Queen's park and the community share other half), but none of the costs of equipment and material. Thus Ottawa is putting up only $35 million of the $298 million total (to mid-May). And so the main burden falls on the municipalities, already staggering under financial responsibilities.

The extent to which this burden falls on the municipalities is set out in a parliamentary return which lists the number of projects, the jobs, the estimated number of man-days work, the cost and the federal share. For the program of 1960-61, the figures for Ontario are given as follows:

Number of projects	1,560
Estimated number of jobs	20,710
Estimated number of man days work	1,035,039
Estimated total cost	67,346,757
Estimated federal cost	7,920,238

It is fairly obvious that the main burden of this program in fact falls on the municipalities. However, it does not fall equally on the municipalities across the country. One expression of opinion from the maritime provinces, for example, was given in the house a year or so ago. I should like to quote from a report which appeared in the Toronto daily *Star* dated February 20, 1960. It reads as follows:

Charles Van Horne, Conservative M.P. for Restigouche-Madawaska gave his own government one of the fieriest criticisms it has received from any quarter since coming into power three years ago.

He said if the government had carried out "only half the election promises" it made in 1957, unemployment today would be less than 200,000; instead it stands at close to 800,000.

W. L. M. Creaghan, a fellow Tory from Westmorland, was less direct and buried his brickbat in bouquets.

He said the winter works program was fine as far as it went, but it didn't go far enough. Areas that needed winter work projects most, he said, just couldn't dig up the 50 per cent they must pay of the labour costs involved. The federal government pays the other 50 per cent.

The government must find some formula which will provide smaller municipalities and provinces with more than 50 per cent, he said, and should pay a percentage of other costs—equipment, materials, professional and permanent employees.

Apparently Mr. Van Horne as well as the hon. member for Westmorland believed that this program was not equally satisfactory to all parts of the country and in particular that the maritime provinces were not well served by it.

This method of constructing municipal winter works involves extra costs. For example, in the city of Toronto a list has been made of just some of the extra costs that result from this particular type of financing. They include the administrative work involved in formulating and having approved a winter works program; services of a considerable degree of the personnel of the public welfare department in connection with selection and assignment of the workers involved and of the related departments in preparing time sheets, making out pay

cheques, distributing them, obtaining unemployment insurance and vacation savings books and affixing stamps, in processing garnishees in the hundreds, in preparing claims and producing records for government audit. Some of these expenditures occur even before the programs commence. Cash outlays on the works themselves rise in varying extent to their peaks. Certain it is that the bulk of the spending takes place at a time when the city must borrow almost every cent it spends. In the case of winter works some money has been spent more than a year in advance of recovery being made and all of it for many months. As a matter of fact, of all the methods of constructing municipal works this is the most inefficient and consequently the most expensive method possible.

I was much interested in the maiden speech of the hon. member for Esquimalt-Saanich. He spoke very well, if not too convincingly.

An hon. Member: It is nice to hear some facts for a change, is it not?

Mr. Hellyer: He told the committee that even if the municipalities did not appreciate this program, the people or the taxpayers in fact do so. I have my doubts—

Mr. McCleave: Does the hon. member not pay taxes?

Mr. Hellyer: My hon. friend has just made the case. Why is it that some people think that taxpayers who pay taxes municipally are different from taxpayers who pay taxes provincially and federally? Why is it that extra waste, extra cost and duplication are condoned provided the burden can be shifted from one tax collecting agency to another? Is this of importance? Is this what we try to legislate for? Is it an advantage, when costs are increased, that they must be paid by some taxpayers although only in part by them as municipal taxpayers and in part by the same people as provincial taxpayers and the balance through their federal taxation? This is not efficiency. This is not wisdom. This is inefficiency, duplication, waste and extravagance.

The municipalities have put forward a number of suggestions in order to relieve themselves of a greater portion of the burden. I will give just three of their suggestions. The first is that personnel services not now subsidized, such as hire of trucks with drivers, be included in the subsidizable list. The second is that materials used for these works be exempt from federal and provincial sales taxes or the taxes rebated. This suggestion was also made by the Canadian Construction Association. The third suggestion is that an appropriate percentage, say 10 per cent, be allowed to cover the cost of administrative overhead and interest on borrowed money. These suggestions, if adopted, Mr. Chairman, would reduce the direct cost to the municipalities but they would not decrease the over-all cost. If anything, they might in fact increase it.

A much more fundamental approach to this whole problem is required. In general, what is required is to get Canada moving again so that we do not have this urgent requirement of dealing by any expedient we can think of with the mass unemployment which has characterized this country, particularly in the last four and a half years. In particular, in respect of municipal projects what is required is a municipal loan fund from which municipalities can borrow large sums of money at low interest. This has been put forward in the program of the Liberal party. Projects approved by the provinces would qualify for loans from the federal-municipal fund at low interest rates.

By agreement with the municipalities a proportion of the work could be done in the wintertime, the same proportion as would be done in the other months, but the advantage would be the avoidance of duplication, the elimination of waste, the streamlining of procedures, the speeding up of payments and a complete change from the existing volume of red tape and hold-ups resulting therefrom. I was astounded to learn that many of the payments to the municipalities are held up as much as a year from the time the work is actually completed, and this just is not good enough. It puts far too much of a burden on the hard-pressed municipalities.

I would recommend to the Minister of Finance that he consider a municipal loan fund for the purpose of making loans available to the municipalities on terms which they can afford and that he use the federal borrowing power to save the taxpayers of the municipalities a certain amount of interest because they are the same taxpayers municipally as they are federally and there is no reason they should not have the benefit of the federal government's borrowing power. If he were to do this, he could facilitate a reduction in costs, a word which he used to understand when he sat on this side of the house but which he seems to have forgotten since he was elevated to the treasury benches. He could reduce the over-all costs of programs to the municipalities.

Furthermore, he could facilitate their planning on a year-round basis rather than on an ad hoc basis because it is true, as was suggested, that many projects now are just postponed to the winter months rather than being carried out on a year-round and more orderly basis.

This program has been supported in the country, Mr. Chairman, but on close examination it fails to meet the real problems existing today. I hope that before another year rolls around the fundamental solution will make itself apparent, and that is, of course, a change in the administration of this country.

Items agreed to.

Resolutions adopted in committee of supply this day reported and concurred in.

Mr. McCleave: Mr. Speaker, before you leave the chair for committee of ways and means, may I suggest that since it is so close to five o'clock the house might call it five o'clock.

Mr. Fleming (Eglinton): Oh, no.

Mr. Pickersgill: I think there is an understanding that we are going to put the appropriation bill through between now and five o'clock.

WAYS AND MEANS

The house in committee of ways and means, Mr. Martineau in the chair.

Mr. Fleming (Eglinton) moved:

Resolved, that towards making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31, 1962, the sum of $82,390,000, be granted out of the consolidated revenue fund.

Mr. Pickersgill: Just before the resolution carries, Mr. Chairman, I know it is very unusual to debate these resolutions in committee of ways and means but we are living in very unusual times financially and I wonder whether the minister can give us the assurance that he has the money in the treasury to pay these large sums he is now asking us to vote.

Mr. Fleming (Eglinton): Mr. Chairman, in accordance with the prudent financing of the government I think the house can be assured that this money will be in the treasury and available there as required.

Mr. Hellyer: I should like one more assurance. Could the minister assure us that the pressure of federal borrowing will not increase the interest rates that municipalities will have to pay for their debenture issues in the coming months?

Mr. Fleming (Eglinton): Mr. Chairman, I do not attempt to predict the course of market trends in the future.

Mr. Hellyer: You would not dare.

Mr. Fleming (Eglinton): That is given to others. I prefer not to.

Mr. Pickersgill: The self-denial of the minister on this occasion is touching but we remember other occasions when he did not show the same restraint. Perhaps he has learned, sir.

Motion agreed to.

Resolution reported and concurred in.

Mr. Fleming (Eglinton) thereupon moved for leave to introduce Bill No. C-51, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1962.

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: When shall the bill be read the second time?

Some hon. Members: Now.

Mr. Pickersgill: Now, by leave.

Mr. Fleming (Eglinton) moved the second reading of the bill.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Martineau in the chair.

On clause 1—*Short title.*

Mr. Pickersgill: I have examined the bill very quickly but I should like to have the usual assurance from the minister that the schedule to the bill corresponds precisely with the resolution adopted in committee of supply, and that the clauses of the bill are the standard clauses in bills covering supplementary estimates?

Mr. Fleming (Eglinton): I give that assurance.

Clause agreed to.

Clauses 2 to 4 inclusive agreed to.

Schedule agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the bill be read a third time?

Mr. Pickersgill: By leave now.

Mr. Fleming (Eglinton) moved the third reading of the bill.

Motion agreed to, bill read the third time and passed.

Mr. Deputy Speaker: Order. It being five o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills and private bills.

Bill of Rights

BILL OF RIGHTS

AMENDMENT RESPECTING NATURALIZED CANADIAN CITIZENS

Hon. J. W. Pickersgill (Bonavista-Twillingate) moved the second reading of Bill No. C-4 to amend the Canadian Bill of Rights.

He said: I only intend to detain the house very briefly on this bill. My reason for saying that is because I hope the bill will be passed through the remaining stages before six o'clock, as I do not believe there is anything contentious in it and it certainly represents the professed aspirations of all hon. members in all parts of the house.

I introduced a similar bill which only got as far as first reading last year. Otherwise I am sure it would have been passed at the last session and perhaps, in order to save time, I might read the explanation I gave at that time, and add a very few words to it. It will be found at page 7395 of *Hansard* for Monday, July 3, 1961, at which point I said:

> Mr. Speaker, this bill is being introduced at the present time because I have recently had my attention drawn to the case of a naturalized Canadian citizen of German origin with a Canadian born wife and three Canadian born children who is obliged to live abroad by the nature of his employment as one of the greatest living authorities in his field. Unless the law is changed this Canadian citizen will be deprived of his citizenship under Section 18 of the citizenship act, though no similar penalty would attach to a natural born Canadian citizen in the same circumstances.

By way of parenthesis I should like to say a word of appreciation to the hon. lady, the Minister of Citizenship and Immigration (Mrs. Fairclough), who has taken what I think is a very wise and also very generous view of this particular case. Also I hope that before the case has again to be dealt with on an ad hoc basis, the law will have been changed so that this form of procedure will no longer be necessary. To continue with what I said on the last occasion:

> The effect of the bill, if passed, would be to place naturalized citizens on a basis of complete legal equality with natural born citizens of Canada. Since all parties in the house have at one time or another advocated equality of Canadian citizenship, and since the present law works an injustice against naturalized citizens, I would hope that the house might see fit to dispose of this bill favourably before the present session is concluded.

I echo that hope for the session of 1962 and trust we can do it more speedily than we did most things in the session of 1960-61. At that point I was interrupted by Mr. Speaker who felt I was beginning to advocate my bill instead of merely explaining it. I bowed to his ruling, but the Minister of Justice (Mr. Fulton) asked me to give some further explanation, and I think I should read the exchange which followed. It is:

> Hon. E. D. Fulton (Minister of Justice): At the risk of lengthening the explanation, may I ask the hon. gentleman if there are any other purposes, effects or implications of the bill he proposes to introduce.
>
> Mr. Pickersgill: I had intended to add that I hoped the Minister of Citizenship and Immigration, until this bill has been disposed of by parliament, would not deprive any Canadian of citizenship under section 18 of the act. That was all I had intended to add.
>
> Mr. Fulton: And there are no other effects or implications?
>
> Mr. Pickersgill: I will not give a legal interpretation. The minister can do that himself.

Now sir, while I do not intend to give a legal interpretation even today, perhaps I should read the explanatory note to the bill so that it will be on the record of *Hansard*. It says:

> The purpose of this bill is to guarantee, expressly and by inclusion in the Canadian Bill of Rights, that a Canadian citizen may only lose his Canadian citizenship by himself renouncing it: that no law of Canada, nor any person or authority acting under a law of Canada, may arbitrarily strip him of his Canadian citizenship. For greater certainty, the amendment provides that, in any law of Canada an express declaration under section 2(1) that such law operates outside the safeguards of the Canadian Bill of Rights cannot be used to erase this right of citizenship from the bill of rights.

Put very simply all this bill would do would be to say that once the Minister of Citizenship and Immigration has conferred citizenship, under the authority given by this parliament, on any person who was not previously a citizen of Canada, no one can strip that person of his citizenship at any time in the future except himself, and he can do it only by becoming the citizen of another country. Now I know that many arguments can be made—that is why the discrimination that exists in the present law is there—for taking away the citizenship that is given under the law, but is does seem to me that all those arguments, when you really examine them, are just as valid against Canadian born citizens.

One of the discriminations in the present existing law, and one that I do not think most of us would object to in itself, is that if a naturalized citizen goes out of Canada, is accused of a treasonable act and refuses to come back here to stand trial, he can be stripped of his citizenship. But if a Canadian born citizen goes outside Canada, is accused of a treasonable act and does not come back to stand trial, he cannot be stripped of his citizenship. It seems to me there should be the same law for one as for the other.

There should not be this discrimination but there is a much wider and important discrimination in the existing law. It is that any citizen who is naturalized and has spent 10 years out of the country without taking certain legal steps to preserve his citizenship

can have his citizenship cancelled. In saying that I hope the hon. lady, the Minister of Citizenship and Immigration will correct me if I am wrong, because every day it gets a day longer since I was last in charge of the department and my failing memory may have betrayed me.

There are a number of practical advantages to that provision in the law. I admit that at once. That is why it was put there when the Canadian Citizenship Act was first put on the statute books in 1946. However, as against the practical advantages it does seem to me there would be the great, over-riding advantage of being able to say to all these people who come of their own free will and accept citizenship in this country, "In giving you Canadian citizenship we are giving you exactly what Canadian born people have".

It is such an advantage to be able to say that as compared with these few rather administrative inconveniences that we should not balance the one against the other. I would be proud to say that all Canadian citizens are equal just as far as the law can make them equal. They are not now.

Let us all, in a non-partisan way, join together this afternoon and as far as this house is concerned do what is necessary between now and six o'clock to make that proud boast a part of the law of our country.

Mr. Joseph Slogan (Springfield): Mr. Speaker, it is indeed a very great pleasure for me to follow the hon. member for Bonavista-Twillingate (Mr. Pickersgill) who has introduced Bill No. C-4. It is especially a pleasure because we share something in common, coming from the same part of Canada, although I might say that he is not the least of our exports from the province of Manitoba.

Mr. Hellyer: One of the greatest.

Mr. Slogan: The bill in question and the remarks of the hon. member regarding it I think commend themselves to most hon. members of this house. I think all of us feel that once a person is granted a certificate of Canadian citizenship he should be accepted on the basis of equality before the law of Canada and should have the same privileges as any other Canadian citizen, whether he is a Canadian born or naturalized Canadian citizen.

The point that concerns me, however, is the manner in which this bill is being brought in; that is, as an amendment to the Canadian Bill of Rights. To me the Canadian Bill of Rights should be, and I think is, a general statement in which is enshrined the basic fundamental freedoms which we enjoy in this country. I do not think it should be cluttered up with a number of different types of amendments which could be better dealt with under other statutes.

As I read Bill No. C-4 it sems to me it has particular reference to the citizenship act. As the hon. member who introduced this bill was the minister of citizenship and immigration in the former government, I wonder why this bill was not brought in as an amendment to the citizenship act. Except perhaps that he felt if it is brought in as an amendment to the bill of rights it will, of course, be on a much higher plane. However, at the same time I think it would detract a great deal from the precise language and the general statement contained in the bill of rights.

I should like an explanation about two phrases in this bill because I think they are rather vague. I should like to quote from the bill:

> A Canadian citizen ceases to be a Canadian citizen only if he voluntarily renounces his Canadian citizenship by his formal declaration or by his acceptance of the nationality or citizenship of a country other than Canada:—

The phrase "by his acceptance" is certainly rather vague. There are instances where children of naturalized Canadians or born Canadians go with their parents to another country where their parents become citizens of that country and automatically under the law of that country the children become citizens. How can we, in this case, say this is a voluntary renunciation? That is another vague phrase which I find in this bill.

If this bill were passed as an amendment to the bill of rights it would affect several sections in the Canadian Citizenship Act. It appears to me as I glance through the act that sections 4 (2) and 5 (1) (a) would be affected. Perhaps I may read part of those sections. Section 4 (2) of the act reads:

> A person who is a Canadian citizen under paragraph (b) of subsection one and was a minor on the first day of January, 1947, ceases to be a Canadian citizen upon the date of the expiration of three years after the day on which he attains the age of 21 years or on the first day of January, 1954, whichever is the later date, unless he
>
> (a) has his place of domicile in Canada at such date; or
>
> (b) has, before such date and after attaining the age of 21 years, filed, in accordance with the regulations, a declaration of retention of Canadian citizenship.

Section 5 (1) (a) is more or less on the same basis. This covers Canadian citizens who, for example, emigrate to the United States and their children who are minors are still considered to be citizens of Canada until their twenty first birthday is reached. They have three years of grace, but after they are 24 years old, if they do not apply for Canadian citizenship they are no longer citizens of Canada.

A large number of people emigrate from Canada to another country, raise their children there and fully intend to remain in that country. Their children may not be interested in maintaining Canadian citizenship. Why should these people continue to have the privileges of Canadian citizenship for the rest of their lives even though they are perhaps not interested in maintaining that citizenship?

It also seems to me that if this bill were passed section 6 of the Canadian Citizenship Act would not be necessary.

Then if we look at section 17 I think we have another situation which would be affected if this bill were passed. This concerns the case of dual nationality. For instance, there are a number of countries—I believe there are about 17 in Europe—such as France, Switzerland, Greece, Hungary and all the countries of the Soviet union, who consider people who have been born in their country and who have emigrated, for example to Canada, and then returned to the country of their origin, to be nationals of their country though they may have already acquired the citizenship of that other country. We could take the example of a person who has come to Canada, become a citizen, and gone back to his original country without any intention of returning to Canada. It could be that the country was at war with Canada and that this person could be fighting against Canada; yet during all that time he would have all the privileges of Canadian citizenship. It seems to me that allowing such people to retain their citizenship even in circumstances where they might be fighting against Canada would be stretching it a bit.

There is, of course, section 18 which the hon. member mentioned. I agree that if a natural born Canadian goes to another country, accepts employment and so forth, and is not required to renounce his citizenship regardless of the length of his stay in another country, then I think a naturalized Canadian should have the same privilege. I think the hon. member's point is well taken and I hope that some time in the future this section might be amended in order to grant this privilege to both types of Canadians. The hon. member mentioned the case of a person who had come to Canada and because of the nature of his work, which was highly specialized, had been obliged to leave Canada to find employment in another country where he has been living for a number of years. Section 18(1) of the citizenship act provides that a person ceases to become a Canadian citizen if he resides outside Canada for a period of ten consecutive years. Of course, there is also provision in the act for an extension of that period upon application. I think that in the case to which I have referred this has been done for a number of years. As the hon. member said, the case has been leniently dealt with by the department. I agree that it should be, because I think the person concerned is the type of man of whom we in Canada should be proud. I am sure he would be glad to come back to Canada if suitable employment could be found for him. I suppose similar cases could be brought to the attention of the committee.

At the same time, if we look closely at the facts of this case we find that within one month or two months of this person receiving his citizenship certificate he left the country with his family to accept employment abroad, since then he has not, to my knowledge, been back. So it appears that this type of privilege can be abused. For example, a girl who comes to Canada as a landed immigrant could marry a Canadian citizen and obtain citizenship status within a year. Then they could go abroad. She could get a divorce and under the bill now proposed still maintain her citizenship indefinitely even though she might have lived in Canada for only one year. We can see cases where abuses might arise in this regard. There is, too, the danger of abuse by foreign agents who might like the privilege of having a Canadian passport. I think we all realize that a Canadian passport is a valuable document which carries a great deal of prestige.

I have tried to point out some of these things in order to show how this bill would affect the citizenship act and why it would have been much simpler for the hon. member to have brought in his bill as an amendment to section 18 or, perhaps, some of the other sections of that act. It seems to me we are going off on a tangent when we try to amend the bill of rights. To me, the bill of rights, is a fundamental document among our Canadian statutes and one which we should regard with a great deal of respect. It is something we should try to keep as brief and as general as possible; we should not clutter it up to a point where it becomes meaningless. In this case it seems to me that the purpose of the hon. member in introducing the present bill could have been much better served by proposing an amendment to the citizenship act. In this way he could have achieved his object by a relatively minor piece of legislation rather than in the lofty manner he is trying to employ here.

In conclusion I wish to say I have no criticism at all to make of the hon. member's intentions in which he would place naturalized Canadians and natural born Canadians on the same footing. I think it is a lofty ideal.

Perhaps the hon. member would be the first to admit that under the present government a large number of the discriminations which

formerly existed in the legislation covering citizenship and immigration have been removed. It seems to me that in the old act there was a section which could have deprived a person of his citizenship after only two years abroad. I think the removal of that provision was good for the Canadian Citizenship Act. I go along with the idea that as much discrimination as possible should be removed from the measure. There is no doubt that the act is not perfect. I am a natural born Canadian of naturalized parents and I would be the first to say that all Canadians should be placed on an equal footing. However, I think we should take care to see that we do not jeopardize the security of the country. At the same time we should do everything possible to ensure that the regulations are not a straitjacket and that they are not such that they can be interpreted so as to discriminate against naturalized Canadians.

Perhaps at some time in the future the hon. member could reintroduce his bill as an amendment to the citizenship act. I think if he did so everyone in this house would support the lofty ideal of placing naturalized Canadians and natural born Canadians on an equal footing.

Mr. R. S. MacLellan (Inverness-Richmond): I noticed that when the hon. member for Bonavista-Twillingate (Mr. Pickersgill) rose to introduce this bill he said he intended to be very brief. He was very brief. He made no attempt to discuss the bill at any length nor did he try to point out the effect it would have on our citizenship laws as they now stand. Neither did he attempt to deal in any detail with the bill itself. He rose only to say that he thought the law as it stood now contained features of discrimination against persons who had come to this country and been naturalized as citizens. He was not prepared to discuss the effect on the citizenship act of the proposals he had to bring forward; he merely stood on his feet long enough to raise an emotional argument, presumably because he had no other good argument to support his proposals.

The hon. member for Bonavista-Twillingate specializes in emotional colour when there is nothing else to support his contentions. I was in the house when this measure came up on a previous occasion not long ago. The hon. member made a self-righteous and appealing speech in support of his argument. He was followed by a number of hon. members with some experience in this house and who know as much about this as he does. They told him that as far as they were concerned there was no merit to his amendment. But the hon. member rises today to tell us he thinks everyone in the house is ready to accept his bill. This is one of the debating tricks of the self-righteous hon. member for Bonavista-Twillingate.

It will be noticed, as was pointed out by the hon. member for Springfield (Mr. Slogan), that the hon. member did not bring in his bill as an amendment to the Canadian Citizenship Act. This is not just a matter of proposing amending sections to that legislation as one would expect of an effort to change a statute. Oh no, that would be too routine for the hon. member for Bonavista-Twillingate. He wanted to give this special colouring of emotion and sentiment and brought in his bill as an amendment to the Canadian Bill of Rights.

We should certainly closely examine this bill before it is passed by the house. Indeed, I feel it should never pass as an amendment to the bill of rights. The hon. member proposes sections which in my view would not appropriately form part of the bill of rights. A fundamental statute which deals with the basic rights of the Canadian people should not be cluttered up with every routine idea that is brought forward by a member of this house.

Mr. Pickersgill: Mr. Speaker, I wonder whether the hon. member would permit a question.

Mr. MacLellan: By all means.

Mr. Pickersgill: It might help him along a little, in fact. Does the hon. member consider that an assertion that all Canadian citizens are equal, which is all this bill does assert, represents a cluttering up—an odd phrase, it seems to me, sir, but that was the language the hon. gentleman used—of the bill of rights? Surely it is the most fundamental thing that could be contained in it.

Mr. MacLellan: Mr. Speaker, the hon. gentleman proposes an amendment to a statute which is now looked upon by Canadians everywhere as a sacred statement of our fundamental rights and freedoms. Actually the hon. member seeks to effect a change in the citizenship act by means of an amendment to the bill of rights. The hon. member is not prepared to argue the doubtful merits of the case, if there is any merit in seeking to effect this change. The hon. member attempts to achieve his purpose by the back door means of seeking to amend the bill of rights.

I agree with the hon. gentlemen that the equality of all Canadians is an important matter but I suggest that the citizenship act as it now stands in no way discriminates between citizens of Canada. In no way does it put one group of citizens in an unequal position.

Let us examine what is sought to be accomplished by the bill which the hon. member hopes he can sneak through before six o'clock, in one hour. What will it do?

We must first examine the means whereby Canadian citizens may be deprived of their citizenship. Under section 15 (1) of the Canadian Citizenship Act any Canadian citizen who accepts citizenship in another country automatically loses his Canadian citizenship thereby. That applies to all Canadian citizens and is, I suggest, the most usual way by which Canadian citizens lose their citizenship.

Sections 4 and 5 of the act deal with the situation in which a person may lose Canadian citizenship if he rejects the opportunity of filing a declaration of intent. A man may be born outside Canada and may never come to live here, but as a child of Canadian parents he is a Canadian citizen. These sections provide that within three years after his reaching age 21 this man will lose his Canadian citizenship unless he files a declaration to the effect that he wishes to retain it. The reference in these sections is to a man who has never lived in Canada, who was born outside the country. He is asked only to file a declaration indicating that he wishes to be considered a Canadian and retain his citizenship. The hon. member for Bonavista-Twillingate wishes to delete these two sections from the act so the foreign born person of Canadian parents need do nothing at all to retain his citizenship.

I submit that if a person is interested in Canada and meets the tests of citizenship, which I submit are that he wishes to live here, has some interest in the country and wishes to make some contribution to its strength, he would certainly not fail to file a declaration of his intention to remain a Canadian citizen. If a person will not do that I see no reason why he should not be deprived of citizenship. Why should the rights, privileges and immunities of Canadians be extended to those born of Canadian parents abroad, and living abroad, who reject an invitation to file a declaration indicating they wish to be considered Canadian citizens?

There is another situation in which a person may be deprived of his citizenship under the existing legislation. I refer to a man with a dual nationality, that is, born in another country, who under the laws of the country in which he was born has citizenship there even though he is now a Canadian citizen. Section 17 of the act provides that if such a man leaves Canada after becoming a citizen here, returns to the country of his origin and serves in the army of that country in a war against Canada he shall not be considered a Canadian citizen. This is the great discrimination the hon. member for Bonavista-Twillingate seeks to eliminate in his self-righteous cause this afternoon.

I see no discrimination in retaining a law that provides for the deprivation of Canadian citizenship in the case of a man with Canadian citizenship who returns to the country of his origin and serves in the armed forces of that country in a war against Canada. I see no reason why a soldier in the army of a country which is at war with Canada should have, by right, a Canadian passport, the protection of Canadian embassies and the privilege of saying he is a Canadian citizen.

Another situation in which a person may lose his citizenship is dealt with in section 18 of the act which provides that if a person who is a naturalized citizen leaves this country and resides away from it for ten consecutive years with no intention or desire to return he may lose his citizenship. This, of course, does not apply to anyone who is interested in Canada and who is abroad temporarily. The section sets out many exceptions to the general rule that a person who has been away for ten consecutive years ceases to be a Canadian citizen. If a person serves away from Canada with the armed forces, United Nations or NORAD forces then, of course, he retains Canadian citizenship. If he is absent from the country in the service of the Canadian government or of a provincial government, or represents a firm, business company or organization outside Canada, or if he is away from Canada because of ill health or disability he retains Canadian citizenship. The same applies to the spouse or minor child of any of the class of exceptions to which I have referred.

However, if he does not fall within any of these categories and has been away for ten years, in order to retain Canadian citizenship while abroad he must indicate his intention to return to Canada at some time and that his absence is for a temporary purpose. There are many naturalized Canadians who have left this country to work abroad but who intend some day to return. It is the policy of the Department of Citizenship and Immigration to extend the period in those instances as the minister has authority to do under the act. This is frequently done where a person requires an extension of absence. For all practical purposes the door remains open for such people to return to Canada and they retain their citizenship indefinitely.

There is a good reason for the inclusion of this section in the act. It is in the interests of Canada and Canadianism. Primarily it is to

prevent a person achieving Canadian citizenship who comes to Canada solely for the purpose of acquiring the prestige of Canadian citizenship status. It is to prevent a person coming here for five years, qualifying for Canadian citizenship and then taking his Canadian passport with him to wander through the rest of the world, never returning to Canada. There is no reason why Canada should extend citizenship to people with that motive solely to enjoy the privileges arising from possession of a Canadian passport. A Canadian passport is something which every one of us values. We can cheapen it by making it available to everyone who comes here only for the purpose of acquiring it and then going away, never to return but everywhere across the world in every instance representing himself as a Canadian although it might have been 40 years since he set foot on Canadian soil.

I do not think the hon. member for Bonavista-Twillingate, if he thought carefully into the proposal he puts before us today, would really want the people of Canada to extend that type of privilege forever to someone who has no interest whatsoever in Canada except for the prestige or status which he might gain from having our passport in his pocket or from being able to say that he is a citizen of our country.

Then also there is another situation with which I am sure the hon. member for Bonavista-Twillingate is familiar; but of course he did not refer to it because he feels that the emotional mantle of the discrimination cry alone should be sufficient to carry his argument today. I refer to the situation of a person of foreign birth who marries a Canadian and comes to Canada. After one year in Canada this person can qualify for the rights and priviliges of Canadian citizenship. After one year he or she can become a Canadian citizen. Then there is nothing to prevent that person from leaving Canada and going back to his place of origin. However, under the proposal put forward by the hon. member for Bonavista-Twillingate, this person who has spent one year in Canada is forever after that under all circumstances a citizen of Canada and is entitled to all the benefits and privileges of citizenship in this nation. I do not think he makes a reasonable argument at all when he rises to tell us that we are discriminating against this person who after living only one year in Canada, wants forever to be a Canadian citizen.

Mr. Pickersgill: Will the hon. member permit me to ask him another question?

Mr. MacLellan: Of course.

Mr. Pickersgill: Does the hon. member realize that the argument I made about discrimination was not originally made from this side of the house but rather was originally made by his own leader in the election campaign of 1957, and that what I am seeking to do is to fulfil one of the unfulfilled promises of the present leader of the government?

Mr. MacLellan: Since the hon. member for Bonavista-Twillingate has raised this matter of unfulfilled promises, a matter in which he seems to specialize, along with the emotionalism which shrouds so many of his bald arguments, may I refer for a moment to a letter which appeared in a recent issue of the Ottawa *Journal* and which mentioned the hon. member for Bonavista-Twillingate. It is dated January 22, at Sarnia, and is written by Rev. Ralph E. Bradley, United Church minister in that area. The letter reads in part as follows:

> Sirs: The present campaign of Mr. Pickersgill to gain political yardage by his collection of so-called unfilled promises of Mr. Diefenbaker is hardly consistent with his past performance as a cabinet minister, and reminds us of the Pharisee who claimed to be much more righteous than his fellowmen.

I think that the argument made this afternoon by the hon. member for Bonavista-Twillingate will appear to the rest of the members in the house to be a Pharisee type of argument. The letter goes on to say this:

> If he will recall his role as superintendent general of Indian affairs and the "do-nothing" policy that he pursued while in office, he might be reminded that he issued a direct order to all members of the Indian affairs branch in Ottawa to do absolutely nothing towards solving the land question that was then developing on the Sarnia Indian reserve. He said that he would have nothing to do with it, because in his own words "it is a political hot potato".

Mr. Speaker, he is a specialist in political hot potatoes and that is what he is trying to manufacture this afternoon.

Mr. Pickersgill: I am rising on a question of privilege, Mr. Chairman, and I am genuinely grateful to the hon. gentleman for giving me a chance to do so. I read that letter. That statement I am sure was made in good faith as it was made by a clergyman; but it is just untrue, as the hon. lady who is the Minister of Citizenship and Immigration knows very well. I approved of this sale to this New England company. It was the company itself that did not go on with the transaction. Hence the statement happens factually to be untrue. I think perhaps the gentleman who wrote the letter, in view of his profession, would have been well advised

if he had taken the trouble to ascertain what the real facts were before writing a letter of that kind.

Mr. MacLellan: Of course, I am not going to enter into an argument—

Mrs. Fairclough: Since my name has entered into this discussion and since the hon. member has called me to witness with regard to his good intentions, I can only say that I certainly take his word spoken as a member of the House of Commons. However, I can scarcely be called to witness with regard to something about which I do not know.

Mr. Pickersgill: I apologize to the hon. lady if I went further than I should have gone. We had a good deal of debate about this matter. I think she is quite right. It is not fair for me to ask her to do that. She was not minister then; I was minister at that time. It is not fair to ask her to be witness to it. However, the facts are clear and they have been put on the record many times.

Mr. MacLellan: Of course I do not want to enter into this argument.

Mr. Pickersgill: I am grateful to the hon. member.

Mr. MacLellan: The hon. member for Bonavista-Twillingate is better known to Mr. Bradley who had an opportunity to see the hon. member when he was minister at first hand and to understand his attitude to the Indians of the nation. I merely wish to say that Rev. Mr. Bradley concludes his letter by saying this:

> —it was under Mr. Pickersgill's administration that the long inequity of our national policy to the Indian people sank to an all-time low.

I think most members of the house will agree with that statement.

Mr. Pickersgill: On that matter I would call the hon. lady to witness because she has been following these deals ever since.

Mr. MacLellan: To continue, may I say that there is another situation in which a person can be deprived of citizenship. If a person who becomes a naturalized citizen of Canada commits treason against Canada or commits an offence under the Official Secrets Act and flees from Canada and will not come back to stand trial, he is then deprived of his Canadian citizenship. A person who is a traitor or a spy and hides abroad to avoid trial loses his Canadian citizenship. If the hon. member for Bonavista-Twillingate wishes to argue that this is discrimination, I say it is discrimination against a spy or traitor. No one else needs to worry about it.

Again I do not see why we should extend the rights of Canadian citizenship to people who take up arms against us, who betray us, or who commit treason against us or indeed people who enter the country through fraud or misrepresentation. It is not a matter of discrimination at all. It is a matter of the people of Canada using the same rights we exercise when we pass laws to set up a method of immigration into the country.

We as citizens exercise the right to screen people who come into the country as to their suitability to mesh in with the Canadian way of life and as to their skills. We wish to inquire whether they can support themselves here. We have that right. The door is open to all who wish to come subject to this proviso, namely that they must be good citizens of Canada. Under the Canadian Citizenship Act in a few cases we reserve the right to withdraw from people, whom we once thought to be good citizens the right of Canadian citizenship if it turns out in fact that not only are they not good citizens but that they bear arms against us, spy upon us or otherwise seek to do us harm. Not only is that so, but as a matter of technical law only we withdraw citizenship from people who were born outside of Canada, who never wish to come to Canada and who have no interest in the nation, demonstrated by refusal to declare that they are Canadians.

To sum the matter up, may I say this. I think that Canadians should require from people who claim the right of citizenship in Canada that they be citizens. I noticed that the hon. member for Bonavista-Twillingate did not wish to argue whether or not a person who committed treason and refused to come here and stand trial should retain his citizenship. He did not wish to argue the merits of that matter. He merely stated that such a person was being discriminated against. May I say that it is not a matter of discrimination at all. It is rather a matter of the people of Canada setting up a system of rules in order to protect the value of citizenship here and abroad. It is a matter of seeing to it that people who come to this country and then desert or forsake us in order to go some place else, who wish to have no further interest in us, lose their Canadian citizenship because they are not entitled to have it. They are not citizens of Canada in fact by any manner of means. The hon. member for Bonavista-Twillingate (Mr. Pickersgill) wants to make them by law, what they clearly refuse to be in practice.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but his time has expired.

Mr. F. J. Bigg (Athabasca): Mr. Speaker, our Canadian Bill of Rights is couched in no mean language. The high principles which underlie

the history of our country are given a permanent record in our bill of rights for the bill speaks of the very highest principles and moral virtues which we can bring to bear on this important subject. The preamble speaks of the supremacy of God, the dignity of the human person and the rule of law. No acts of men can make all men free and equal. We can only do our best and in our bill of rights we have done this.

I do not want to see the bill of rights changed into a mere immigration act and I do not think that the people of Canada want this to be done. We want it to stand beside such documents as the declaration of independence of the United States and the constitution of that country. We want it to be a document which all men can always regard with reverence and respect.

I suspect that the hon. member for Bonavista-Twillingate (Mr. Pickersgill) merely wants to bring in an amendment to this great document in order to get himself into the history books such as he is so fond of writing.

Mr. Pickersgill: That is a reflection.

Mr. Bigg: He speaks of taking away the rights of Canadian citizenship arbitrarily. I suggest that if a man who was not born here leaves our country it is an act of abdication. Far from taking away any rights from him we are restoring to him the right to belong to his own native country. I was born in Canada but I take no narrow view of this matter. Some of our finest citizens are those who have come here and made themselves equal in spiritual values and in dedication to our country. Such people we welcome. They have equality without the law. No law can make them equal because by the law of their own country they still have a status which we cannot change. We cannot be completely equal because they can abdicate their citizenship. I cannot nor do I want to, but no act of parliament can change this fact. When I have been born in Canada nothing can alter that fact.

If a man wants to leave our country and go back to the land of his birth this is something we cannot alter in any natural way, nor do I think we should do so in law by a unilateral act. Men who are born in certain countries of Europe cannot become Canadian citizens today in the eyes of their own countries and they cannot escape military service or other duties to the countries of their birth. Much as we would like to have no possible difference between our citizens in fact or in law, the fact of being born in an alien country does make a difference which we are unable to change.

If there is great disagreement with what I am saying and we wish to change the Immigration Act or the Canadian Citizenship Act, let us do so by the proper method and in the proper statute. There is a security angle in protecting our country internally but I do not think that is the only factor involved. If we lay charges against people for treason or other acts for which they may lose their citizenship, there is a tremendous burden of proof placed upon the crown. I think this is one case where the burden of proof should be shifted to the accused to show that his own acts are not such as to indicate that he should forfeit the highest right we have, that of being a Canadian citizen.

Mr. Terry Nugent (Edmonton-Strathcona): Mr. Speaker, I have only a couple of minutes and I should like to summarize what has already been placed before us by some of the other speakers. First, while in name we have a bill which apparently is an amendment to the bill of rights it is in all respects a sweeping change in the Canadian Citizenship Act. As was shown very clearly by the hon. member for Inverness-Richmond (Mr. MacLellan), many of the provisions of that act dealing with acquisition, retention or loss of citizenship would be struck out in one blow by the bill introduced by the hon. member for Bonavista-Twillingate (Mr. Pickersgill). He does this under the guise of an amendment to the bill of rights and then, as has been pointed out, does not want to debate it.

Obviously we are wondering whether or not the attempt to do it in this manner means that the hon. member does not want to be drawn into a debate on those parts of the Canadian Citizenship Act which he would take out by this method. We have seen before that the politics of a situation are very important to the hon. member. I think it was demonstrated while he was a minister that he was much more interested in the politics than in the rights of the citizens involved.

Mr. Pickersgill: Mr. Speaker, I rise on a question of privilege. I think that what the hon. member is doing now is reflecting on my motives in bringing in this bill, which is clearly contrary to the rules. The reason the bill was introduced in this form is perfectly plain. When hon. gentlemen opposite were in the opposition they promised equality to all Canadian citizens and I am attempting to help them to keep their own promise.

Mr. Nugent: I hope I have not referred to motives. I am merely suggesting that because of the way in which the hon. member is seeking to do this we are a little puzzled. If he wishes the citizenship act to be amended, then why not introduce an amendment to that act? I suggest that we have seen evidence of a little envy in the hon. member for

Bonavista-Twillingate because under the present government we were able to pass the bill of rights which has been welcomed by the country and is very well thought of by people generally. It is something that we have always needed and the hon. member feels that if he can get even a little amendment made to it he might be able to get some of the glory that our Prime Minister (Mr. Diefenbaker) has achieved with the bill of rights.

I would suggest that anyone who is going to consider seriously the bill which the hon. member has presented must study each one of the sections of the citizenship act which would be made ineffective by this bill.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but it is six o'clock.

Mr. Pickersgill: Still discriminating.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Mr. Speaker, before you leave the chair perhaps I could inquire of whoever is the acting house leader—I take it it is the Minister of National Revenue—if, in accordance with the undertaking given by the Prime Minister when he asked to have the business interrupted, we are going back to the speech from the throne on Monday?

Mr. Nowlan: Mr. Speaker, I do not know about any undertaking given by the Prime Minister. I do not recall any such undertaking. At any rate, the intention is that on Monday we will deal with certain resolutions starting with No. 13 on today's order paper dealing with the Old Age Security Act. Having concluded the debate on that we shall proceed to No. 14, the one dealing with the Old Age Assistance Act. Having concluded that we shall proceed to No. 15, which is another one of the social security measures under the name of my colleague, the Minister of National Health and Welfare. Having concluded that we shall deal with No. 16. If those have been concluded we shall deal with No. 17, the measure respecting the railway in Alberta, then with No. 7 on today's order paper and then with No. 8. If by that time the house has approved all of those we shall deal with other matters on the order paper.

Mr. Pickersgill: On a question of privilege, the hon. member questioned the undertaking given by the Prime Minister. He will find it in *Hansard* of January 18, at page 7, where the Prime Minister, in asking unanimous consent to set up the committee of supply gave this undertaking, that the only matters that would be brought before the house would be those supplementary estimates. On being questioned by the Leader of the Opposition the Prime Minister said:

> Might I just add this, because I want to be as fair as the Leader of the Opposition. There is also the program in connection with winter works. I do not go beyond those two.

It was on that understanding that the consent was given and I hope between now and Monday the government will consider the undertaking given by the Prime Minister.

Mr. Nowlan: This is in keeping with the pledge that was given. We did refer those matters to the committee of supply. The undertaking has been fulfilled and we are not referring other matters to the committee of supply.

Mr. Pickersgill: It is sharp practice and it is shocking.

Mr. Nowlan: It is important that the rules of the house, as agreed upon by the committee which drafted them last year, a committee of which the hon. member was a member, be kept.

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

[The following items were passed in committee of supply]:

DEPARTMENT OF LABOUR

A—Department—

Special services—

613. Special services branch including the promotion of a program for combating seasonal unemployment, the organization and use of workers for farming and related industries and assistance to the provinces under agreements entered into with the provinces by the Minister of Labour with the approval of the governor in council—further amount required, $90,000.

614. Payments in accordance with terms and conditions approved by the governor in council to provinces and in respect of Indian bands under the municipal winter works incentive program during the 1961-62 and 1962-63 fiscal years of amounts not exceeding one half of the cost of labour incurred in the period from the 15th day of October, 1961 to such day in the fiscal year 1962-63 as may be determined by the governor in council; and to authorize payments in those fiscal years to provinces in respect of previous municipal winter works incentive programs in accordance with terms and conditions approved by the governor in council, $40,000,000.

HOUSE OF COMMONS

Monday, February 5, 1962

The house met at 2.30 p.m.

EXPROPRIATION ACT

AMENDMENT REQUIRING NOTICE TO ALL INTERESTED PARTIES

Hon. Paul Martin (Essex East) moved the first reading of Bill No. C-52, to amend the Expropriation Act.

Motion agreed to and bill read the first time.

WAR MEASURES ACT

AMENDMENTS RESPECTING TREATMENT OF CANADIAN CITIZENS

Hon. Paul Martin (Essex East) moved the first reading of Bill No. C-53, to amend the War Measures Act.

Mr. Pickersgill: Explain.

Mr. Martin (Essex East): This bill seeks to extend the War Measures Act by bringing it into a position consistent with the provisions of the bill of rights. The bill is predicated upon the fact that the Prime Minister indicated almost a year and three quarters ago that the War Measures Act would be amended to bring it into conformity with the bill of rights. The government not having taken the initiative it assured us it would, I have done so.

Mr. Speaker: If the hon. member has a further explanation of the bill he may feel quite free to finish it, but not to debate the matter.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

RED FEATHER CAMPAIGN, OTTAWA—GOVERNMENT PARTICIPATION

Question No. 40—**Mr. Argue:**

1. What is the role or interest of the government with regard to the Ottawa red feather campaign?

2. During the said campaign in the fall of 1961, was any written request sent out by or for the vice-chief or the acting vice-chief of the air staff asking those who had not yet contributed to assess their ability to do so?

3. If so, was this request made with the approval of the Minister of National Defence?

Answer by: **Mr. Balcer:**

1. As an employer, the government participates in the red feather campaign by providing organization and staff in each department and crown agency for the public service division of the Ottawa community chest to assist in the campaign.

2. Yes.

3. No.

PURCHASES AND DISPOSALS, MILK, BUTTER AND CHEESE

Question No. 51—**Mr. Boulanger:**

1. What have been the monthly purchases and diposals by the government with respect to skim milk powder, whole milk powder, butter, and cheese for the years 1960 and 1961?

2. Have any dairy products been donated to UNICEF or other social organizations for the years 1960 and 1961 and, if so, (a) what products (b) what quantity?

Answer by: **Mr. Charlton:**

1. (a) Dry Skim Milk

Million Pounds

	Purchases		Disposals	
	1960	1961	1960	1961
January	..	..	1.2	..
February	..	..	0.1	..
March	..	..	0.1	..
April	..	..	..	0.3
May	..	..	..	..
June	..	..	..	..
July	..	..	..	..
August	..	..	..	..
September	..	..	..	..
October	..	..	..	..
November	..	..	..	..
December	..	..	..	0.5

1. (b) Dry Whole Milk

Million Pounds

	Purchases		Disposals	
	1960	1961	1960	1961
January	..	1.1	..	1.3
February	..	..	..	0.1
March	..	..	..	1.1
April	..	..	..	..
May	..	..	..	..
June	2.3	..	..	..
July	4.5	..	1.7	..
August	2.8	..	2.2	..
September	4.1	..	4.1	..
October	2.7	..	1.6	..
November	2.3	..	6.4	..
December	2.4	..	2.8	..

Questions

1. (c) Butter

Million Pounds

	Purchases		Disposals	
	1960	1961	1960	1961
January	0.07	0.1	9.1	5.9
February	0.06	0.2	9.0	7.1
March	0.02	0.5	6.3	4.8
April	4.0	3.0	0.6	0.3
May	2.6	2.8	...	0.05
June	14.6	16.0	...	...
July	19.8	22.1	...	...
August	16.1	22.3	0.1	...
September ...	8.2	12.5	0.5	0.1
October	4.7	8.3	3.2	1.1
November ...	0.7	3.2	6.9	4.0
December	0.1	1.1	9.3	7.9

1. (d) Cheese

Million Pounds

	Purchases		Disposals	
	1960	1961	1960	1961
January	0.03	0.1	...	0.3
February ...	....	...	...	...
March	....	...	...	...
April	...	0.04	...	...
May	2.4	1.0	...	0.04
June	0.8	2.0	...	...
July	0.6	0.7	1.9	2.3
August	0.6	0.4	...	0.1
September ...	0.5	1.0	...	...
October	...	...	...	0.9
November ...	...	0.1	...	2.6
December	...	0.1	...	...

2. Yes.

(a) Dry whole milk
Dry skim milk

(b) Dry whole milk (Million pounds)
1960—18.8
1961—2.5

Dry skim milk (Million pounds)
1960—Nil
1961—0.8

*CANADIAN CURRENCY DISCOUNT, YARMOUTH-BAR HARBOR FERRY

Question No. 54—**Mr. Deschatelets:**

1. Is it a fact that Canadian currency is discounted on the basis of the par value of the American dollar on the Yarmouth-Bar Harbor ferry, the *Bluenose*?

2. If so, have instructions been issued by the Canadian National Railways that this practice be followed?

Mr. Balcer: Mr. Speaker, the management of Canadian National Railways advise that the answer to part 1 is no, and part 2 is therefore not applicable.

FISHERIES EXPENDITURES, MIRAMICHI ESTUARY

Question No. 67—**Mr. McWilliam:**

1. What is the total amount of money expended by the Department of Fisheries in the Miramichi estuary, river and branches, each year for the period 1955-1961?

2. What are the amounts spent each year during this period for research, protection, inspection, and administration?

Answer by: **Mr. MacLean (Queens):**

1.

1955-56	$257,201.20
1956-57	286,485.74
1957-58	303,833.43
1958-59	298,188.90
1959-60	316,922.96
1960-61	347,963.10
	$1,810,595.33

2.

	1955-56	1956-57	1957-58	1958-59	1959-60	1960-61
	$	$	$	$	$	$
Research	3,700.00	4,150.00	7,400.00	3,750.00	3,900.00	4,100.00
Protection—(a)						
land service	141,493.97	146,653.42	149,331.15	157,870.18	156,961.76	166,754.13
water patrol	40,120.09	40,426.60	39,739.00	32,942.82	47,031.13	54,792.36
Fish culture	25,433.88	35,336.76	37,821.46	40,475.26	41,745.90	52,150.51
Inspection—(b)	46,453.26	59,918.96	69,542.82	63,150.64	67,284.15	70,166.10
Administration—(c)						

(a) Land service shows expenditure for fisheries district No. 7—Northumberland, Gloucester and Restigouche counties. It is not feasible to segregate figures for Miramichi estuary and watershed. Water patrol shows expenditure on patrol vessels generally assigned to Miramichi area.

(b) These figures cover inspection district No. 4A—the eastern and northern shores of the province. It is not feasible to segregate figures for Miramichi area.

(c) There is no expenditure in Miramichi area falling under this heading.

CANADIAN MADE DESTROYER ESCORTS

Question No. 76—**Mr. Matheson:**

1. Have our new Canadian made destroyer escorts any real surface or shore bombardment capability?
2. Does their armament provide defence against high speed jet aircraft?
3. Is their speed sufficient to make them effective against the latest submarine?

Answer by: **Mr. Chambers:**

1 and 2. These ships are equipped with the latest multi-purpose gun available which has both a surface and anti-aircraft capability.

3. Their speed is superior to the latest conventional submarine. The nuclear submarine has a speed advantage over that of the surface ship but speed is not the only means of the surface ship dealing with submarines.

*CANADIAN EMIGRANTS TO U.S.

Question No. 77—**Mr. Matheson:**

1. How many persons left Canada to reside in the United States in a working capacity, each year from 1956 to 1961?
2. What was the proportionate breakdown of occupations in each of these years?
3. What number in each year were college graduates?
4. What proportion of these émigrés were in the age group 20 to 40?

Mr. Thrasher: Mr. Speaker, in view of the amount of statistical information contained in the answers to the several parts of this question, I wonder whether the answer might be taken as read.

Mr. Speaker: Is it agreed that the answer be incorporated at this point in *Hansard* without being read?

Some hon. Members: Agreed.

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

1. No. of persons leaving Canada to reside in the United States in a working capacity

Year	No. of persons
1956	22,200
1957	25,800
1958	19,200
1959	21,300
1960	24,900
1961 (first six months)	11,000

2. Occupational Group

	1956	1957	1958	1959	1960	1961
	%	%	%	%	%	1st 6 mos.
Professional, technical and kindred workers	24.4	24.8	25.6	26.9	23.1	21.5
Craftsmen, foremen and kindred workers	20.1	20.5	17.4	17.2	10.0	19.1
Clerical and kindred workers	19.8	21.1	20.5	20.0	19.8	19.1
Operatives and kindred workers	9.1	8.8	8.5	9.2	10.0	10.5
Labourers (except farm and mine)	6.3	6.0	7.7	6.4	8.4	8.1
Service workers (except private household)	5.2	5.6	6.7	6.4	6.5	7.7
Sales workers	5.1	4.9	5.2	5.1	5.3	5.8
Managers, officials, proprietors (except farm)	4.7	4.6	4.8	5.0	4.6	5.0
Farmers, farm labourers, managers and foremen	3.0	1.9	1.9	1.8	1.4	1.2
Private household workers	2.3	1.8	1.7	2.0	1.9	2.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

The above data were derived from semi-annual reports of the immigration and naturalization service, United States department of justice, Washington, D.C.

3 and 4. This information is not available in the department.

*LIST OF INGREDIENTS IN CIGARETTES

Question No. 91—**Mr. Herridge:**

Has the Department of National Health and Welfare given any consideration to regulations that would require cigarette manufacturers to list and give full particulars of the percentage of all the ingredients of their cigarettes, similar to that required for patent medicines?

Mr. Monteith (Perth): My department has considered the question as to whether a statement of the ingredients of cigarettes can be required to be shown on labels of packages of cigarettes. However, since cigarettes and other such products of tobacco do not fall into any of the classes of products over which authority is provided by legislation administered by my department, it is not possible for us to make the proposed requirement.

*TELEVISION SERVICE, KOOTENAY WEST CONSTITUENCY

Question No. 92—**Mr. Herridge:**

1. Have any surveys been made of the need for C.B.C. television in the electoral district of Kootenay West and, if so, what are the results of these surveys, and the areas or communities so covered?
2. Has any decision been made to establish such facilities in Kootenay West; and, if so, when is it expected that such facilities will be installed, in what communities, and covering what areas?

Mr. Lambert: I am advised by the Canadian Broadcasting Corporation as follows:

1. Yes, surveys were conducted in Trail, Nelson, Castlegar, Proctor and Balfour areas. C.B.C. stations are operating in Trail and Nelson.

2. Further study is being made at present of the Castlegar area. With regard to Proctor and Balfour, the investigation reveals that the costs involved are very high in comparison to other areas of Canada also without

television. However, a study is continuing in an attempt to find a less costly method of providing C.B.C. service.

*TRADE CONFERENCES IN CANADA

Question No. 93—**Mr. Bourdages:**

1. How many trade conferences have been held across Canada, and in what centres?
2. What has been the total attendance?
3. Is it correct that the next conference will be held in Montreal?
4. If so, how many speeches will be in French, how many in English, and will there be translations?

Mr. Churchill: Eleven regional trade promotion conferences have been held in conjunction with the provincial trade authorities at the following centres from coast to coast: Vancouver, Calgary, Regina, Winnipeg, London, Toronto, Kingston, Saint John, New Brunswick, Halifax, Charlottetown and St. John's, Newfoundland.

2. The total registered attendance at these 11 conferences has been 3,209 persons, representing 1,825 industrial firms.

3. Yes, on February 14, 1962.

4. Speeches to be made by departmental officials at the Montreal conference will be in English and French. Most speakers are bilingual and will be speaking in both languages. Each speech, as delivered, will be translated simultaneously into English or French, and mimeographed copies of speeches by officials will be available in both official languages.

*FISHERIES—EXEMPTIONS OF DRAGGERS

Question No. 95—**Mr. Howard:**

1. Since June 1, 1961, has the Minister of Fisheries, pursuant to subsection (3) (a) of section 55 of the Fisheries Act, by order, exempted any class of dragger or trawler from the operation of subsection (3) of the said section; and, if so, (a) upon what date or dates were the said orders made (b) what class or classes of dragger or trawler were so exempted by each such order and (c) what is the total number of boats so exempted?
2. Has any person applied to, or requested, the minister to order an exemption pursuant to the said subsection (3) (a); and, if so, with respect to each such person so applying or requesting, what was (a) his name and address (b) the date (c) the number of boats covered by the application or request, and (d) the disposition thereof?

Mr. MacLean (Queens): The answer to the first part of this question is no. The answer to the second part is as follows.

No applications by any persons in respect of any boat or boats have been made, but representations have been made by the Fisheries Council of Canada by letter dated October 23, 1961, requesting that action be taken to allow large trawlers to fish inside the 12 mile limit. A similar request has been received from Quebec united fishermen by letter dated December 8, 1961. No action so far has been taken.

*SPECIAL PERMITS RESPECTING SMALL DRAGGERS

Question No. 96—**Mr. Howard:**

Since January 1, 1955, have any special permits been issued by the Minister of Fisheries under subsection (3) of section 55 of the Fisheries Act exempting small draggers operated by inshore fishermen from the provision of the said subsection (3); and, if so, (a) how many such permits have been issued, and (b) how many are currently in effect?

Mr. MacLean (Queens): The answer to the first part of the question is yes, 2,133; and to part (b), 417.

*PRINCE RUPERT ELEVATOR—WORKING CONDITIONS

Question No. 97—**Mr. Howard:**

1. Since January 1, 1961, has the board of grain commissioners directed the general manager of the Canadian government elevators to examine the working conditions at the Prince Rupert elevator; and, if so, has such an examination taken place, and what was discovered as a result thereof?
2. What action, if any, is contemplated with respect to the discoveries?

Mr. Jorgenson: The answers are as follows.

1. Yes. An inspection was made and it was discovered the washroom, lunchroom and locker facilities were inadequate.

2. The Canadian government elevators have recommended an amount be included in the 1962-63 estimates to provide for the installation of proper washroom and locker facilities and for a general clean-up of the lunchroom. Subject to funds being made available, these improvements are to be made.

*CENSUS STATISTICS—MUNICIPAL COMPLAINTS

Question No. 98—**Mr. Howard:**

1. Since the completion of the decennial census for 1961, has any municipality or province raised any objection or complaint to the effect that the census for the municipality or province was incomplete, incorrect, or insufficient; and, if so, what are the details of each such complaint?
2. As a result of these complaints, what action was taken in each case; and if such action, in part, was to arrange for additions to the original population figures, what differences resulted in each case?
3. Was each such subsequent action, as referred to in part 2 hereof, satisfactory to the complaining party?
4. As a result of any such subsequent action or from experiences derived from the taking of the census, is any action planned to ensure that a more accurate population count of municipalities will be made in future census-taking?

Mr. Churchill: Mr. Speaker, the answer to this question is fairly lengthy. It is ready, and if the house would accept it without my reading it I would be very grateful.

Mr. Speaker: Is the house agreed that the answer be taken as read?

Some hon. Members: Agreed.

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

1. The final counts of population from the 1961 census are not yet available for any municipality or province. Preliminary figures for individual municipalities were released last fall as part of the normal procedures of taking the census, in order to obtain the comments of these municipalities regarding the preliminary figure as it related to their particular city, town, village, township, etc. These figures, as stated in the published reports, were not intended to be the complete count, since they do not include some persons temporarily absent from their usual homes at the time of the census.

Thus, comments regarding the preliminary census counts were invited by the dominion bureau of statistics from the municipal officials of some 4,500 municipalities across Canada. This enabled the bureau to explain to the municipalities the census rules of enumeration and procedures which in some cases vary from the methods used to compile local counts or estimates. It also gave the bureau the opportunity to make investigations in the relatively few cases where there was some disagreement before the census figures become final.

I would like to express my personal appreciation to the municipal officials across Canada who have co-operated so wholeheartedly in this matter. Final counts of population for Canada and the provinces should be available around the end of this month. Final counts for individual municipalities are expected to be released in the immediately following months.

2 and 3. Since the final counts of population for individual municipalities are not yet available, it is not possible to show the differences between the preliminary and final counts.

4. There is no evidence to indicate that when the final counts of the 1961 census become available there will be any significant deficiencies. The dominion bureau of statistics continually strives to improve on its census methods and procedures from one census to the next. You can be assured that the planning for the next census will be no exception, and a great deal of study and research will be given to the 1961 census results in preparation for the following censuses.

CHARTERED BANK LOANS, SMALL BUSINESSES

Question No. 102—**Mr. Racine:**

1. Have chartered banks prepared, in accordance with subsection (1) of section 19 of the regulations under the Small Businesses Loans Act, reports on the number of loans made, and the amount thereof, since the act came into force?

2. If so, what are, by provinces, the number and amount of such loans?

Answer by: **Mr. Bell (Carleton):**

1. Yes.

2. Since inception January 19, 1961 to November 30, 1961

	Number	Amount
British Columbia	361	$3,054,064.65
Alberta	256	1,983,063.85
Saskatchewan	197	1,333,485.01
Manitoba	151	1,161,704.35
Ontario	923	7,479,743.59
Quebec	625	6,369,638.45
New Brunswick	76	608,407.75
Nova Scotia	95	794,405.00
Prince Edward Island	30	194,332.80
Newfoundland	23	181,576.00
Total	2,737	$23,160,421.45

SMALL BUSINESS LOANS, 1961

Question No. 103—**Mr. McIlraith:**

1. How many loans were made under the Small Businesses Loans Act in the year 1961?

2. What is the total amount of such loans?

Answer by: **Mr. Bell (Carleton):**

1. 2,737

2. $23,160,421.45

For the period January 19, 1961, the date on which the Small Businesses Loans Act came into force, to November 30, 1961, the latest date for which figures are available.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADIAN PEACE RESEARCH INSTITUTE

Question No. 13—**Mr. Argue:**

1. Has the government had any discussions with Dr. Norman Z. Alcock concerning the formation of a Canadian peace research institute?

2. If so, did Dr. Alcock make any request for aid?

3. If so has any decision been made in this regard?

4. If so, what is the nature of the decision?

*SURVIVAL TRAINING COURSES—PERSONNEL STATISTICS

Question No. 27—**Mr. Pitman:**

1. How many of the men who (a) started (b) completed or (c) were rejected for the first survival training course, were unemployed?

2. How many of the men who (a) started (b) completed or (c) were rejected for the first survival training course, were on municipal welfare?

3. How many of the men who (a) started (b) completed or (c) were rejected for the first survival training course, were married?

4. How many of those who were married and completed the course were also unemployed?

5. How many of the men who completed the first survival training course have been recruited into (a) militia (b) regular army?

OTTAWA—DISPOSAL OF CROWN LAND

Question No. 29—**Miss LaMarsh:**

1. Was any land in the vicinity of Bank street and Riverside drive, Ottawa (lots 18, 19 and 20, junction Gore, Gloucester township), sold by the crown or Crown Assets Disposal Corporation since January 1, 1959?
2. If so, what quantity, at what price, and to whom?
3. Was the land advertised for sale and, if so, through what media?
4. By what method was this land sold?

*AVRO STEEL OPERATIONS, SYDNEY, N.S.

Question No. 31—**Mr. Robichaud:**

1. Has the government of Canada received any representations that it use its good offices to ensure that A. V. Roe diversify and expand their steel operations in the city of Sydney?
2. If so, has the government taken any action on this request?

MR. GODFREY, VANCOUVER

Question No. 65—**Mr. Regier:**

1. Is a certain Mr. Godfrey living in or about Vancouver in the employ of either the Department of Justice or the Department of Citizenship and Immigration?
2. If so, what are his particular responsibilities?

PUBLIC WORKS SHIPS AND DREDGES, B.C.

Question No. 66—**Mr. Regier:**

1. What are the names of each of the ships and dredges being operated by the Department of Public Works in British Columbia?
2. On which of these are meals supplied to the employees?
3. How many men are usually employed on each of these vessels?
4. What was the cost of food purchased for the men on each of these vessels in the latest calendar or fiscal year for which statistics are available?
5. When was the last audit or inspection made of such food purchases?
6. What happens to food purchased for weekend meals when the employees are off the vessel?
7. Who are the captains or masters on each of these vessels?
8. Do any of these named individuals own a grocery store selling food supplies to the government of Canada?
9. What if any, irregularities in regard to the use and purchasing of food supplies referred to above have been discovered within a period of the last five years, and, if there were irregularities found, what action has been taken?
10. When last was there an investigation made as to the quality of meals served to the employees?
11. From what suppliers, and the amount in each case, was food purchased for the C.G.S. *Essington* for the latest year of which records are available, and who are the owners of the business firms involved?
12. Are any of these owners employed by the government of Canada?
13. On which of the above vessels is the practice followed of having the majority of employees away from the vessel on weekends?

[Mr. Pitman.]

*PICKET LINE CROSSINGS BY FEDERAL VEHICLES, B.C.

Question No. 75—**Mr. Howard:**

1. Since December 1, 1961, has any vehicle owned by the government or any department, agency, or branch thereof crossed any picket line in British Columbia established by the retail, wholesale and department store union (AFL-CIO/CLC) against Taylor, Pearson and Carson Corporation; and, if so, was this done with the knowledge and consent of the government, or of the department, agency, or branch involved?
2. Are any steps being taken to prevent a recurrence of this situation; and, if so, what are they?

FEDERAL WORK PROJECTS, NORTHWESTERN QUEBEC

Question No. 86—**Mr. Martel:**

1. Have works near Duparquet, in northwestern Quebec, at Hebecourt, Duparquet and Abitibi lakes or thereabout, ever been carried out by the federal government from 1949 to 1957?
2. If so, (a) by whom were such works requested, and by whom were they recommended to the federal government then in office (b) who was the foreman in charge of each particular project (c) what was the total cost of each project (d) what wages were paid to each foreman and other persons employed at such works (e) who were the suppliers of materials, equipment, or other services of any kind at each place, and what amount was paid to each supplier?

CLEANING OPERATIONS, VILLENEUVE AND CHAPLEAU COUNTIES, QUEBEC

Question No. 87—**Mr. Martel:**

1. Have cleaning operations, on the Senneville river and the Small Senneville river, in the counties of Villeneuve and Chapleau, ever been carried out by the federal government between 1949 and 1957?
2. If so, (a) by whom were such cleaning operations requested, and by whom were they recommended to the federal government then in office (b) who was the foreman in charge of each particular project (c) what was the total cost of each project (d) what wages were paid to each foreman and other persons employed at such works (e) who were the suppliers of materials, equipment, or other services of any kind at each place, and what amount was paid to each supplier?

WHARF CONSTRUCTION AND CLEANING OPERATIONS, MACAMIC LAKE, QUE.

Question No. 88—**Mr. Martel:**

1. Has construction of a wharf at Macamic lake, in the county of Chapleau, or cleaning operations near Macamic lake, or in the vicinity of the town of Macamic and the municipality of Royal-Roussillon, ever been carried out by the federal government between 1949 and 1957?
2. If so, (a) by whom were such works requested, and by whom were they recommended to the federal government then in office (b) who was the foreman in charge of each particular project (c) what was the total cost of each project (d) what wages were paid to each foreman and other persons employed at such works (e) who were the suppliers of materials, equipment, or other services of any kind at each place, and what amount was paid to each supplier?

*ATLANTIC CITIZENS CONVENTION, PARIS

Question No. 90—**Mr. Herridge:**

1. Who initiated the Atlantic citizens convention held in Paris in January?
2. What was the purpose of this convention?
3. Who appointed the members of the Canadian delegation?
4. What were their names and whom did they represent?
5. How was this delegation financed?
6. What was the total cost to the government of Canada, if any?
7. What were the recommendations of the convention?
8. What action does the Canadian government intend to take with respect to these recommendations?

FORESTRY AGREEMENTS, QUEBEC

Question No. 101—**Mr. Racine:**

1. Has the government of the province of Quebec signed any agreements since June 30, 1958, concerning joint projects with respect to forests, with any of the federal Departments of Forestry, Agriculture, or Northern Affairs and National Resources?
2. If so, which joint projects are involved, and what amounts have been paid to the province?

CANADIAN CONSTITUTION

REQUEST FOR TABLING OF CORRESPONDENCE WITH PROVINCES

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I should like to direct a question to the Prime Minister. Will he table the letter from the premier of Quebec to himself in connection with the proposed conference on pensions inasmuch as he has tabled the letter from himself to the premier of Ontario, which is to be found at page 76 of *Hansard*?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, on January 30 the Leader of the Opposition asked me if replies had been received from any of the premiers. The answer was that a number of replies had been received and that they would be tabled. Six premiers have replied; four have not. We intend to table all replies at the same time. I might point out that the premiers of Nova Scotia, Manitoba, Saskatchewan, Alberta, Quebec and Prince Edward Island have replied so far.

Mr. Chevrier: I wonder whether we could have copies of those letters now so they could be used in the debate that is about to begin.

Mr. Diefenbaker: Mr. Speaker, I think it would be well to table them all at one time. I really see no reason for tabling them in an escalated manner.

Hon. Paul Martin (Essex East): May I ask the Prime Minister a supplementary question. In view of the fact that we are going to debate a measure involving old age pensions, does the Prime Minister not think that before the debate gets under way we should have these letters so we can consider their application to the matters we will be considering later today?

Mr. Diefenbaker: Mr. Speaker, the resolution is before the house today. I will give consideration to tabling the letters prior to the bill being brought before the house, but at the moment I would not like to have them brought forward in, shall I say, an incomplete manner. I should like to have the viewpoint of the Canadian premiers as a whole, and I am sure the opposition is not totally wanting in having a copy of the letter to which reference has been made.

Mr. Martin (Essex East): On a question of privilege, Mr. Speaker, the Prime Minister has acknowledged that he has now received letters from a number of provincial governments. These are now in his possession. There is no difficulty involving consent of the provinces, and surely it is within our privileges to demand of the Prime Minister the production of those letters forthwith for purposes of the debate this afternoon.

Mr. Speaker: Apart from an order of the house there is no privilege to require papers of the government, and the rules provide the procedure by which papers may be ordered.

HEALTH AND WELFARE

VANCOUVER—REGULATIONS RESPECTING CONTROL OF AIR POLLUTION

On the orders of the day:

Mr. Douglas Jung (Vancouver Centre): I should like to address a question to the Minister of Transport. Before I do so, may I take this opportunity to wish all members of the house a happy new year. In the event that certain members may think I am carrying on the celebration from last December 31, Mr. Speaker, I should say by way of explanation that today is the Chinese new year, and I think the Chinese across Canada would like me to say to all members of the house, "Gung hay fat choy".

I come now to my question. In view of the serious problem in Vancouver caused by air pollution from ships, can the Minister of Transport advise whether there have been any changes made in the proposed regulations governing that matter?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I think I express the sentiments of the whole house when I wish the hon. member and all his fellow Chinese Canadian

citizens a very happy new year. I am sorry that I cannot express those wishes in the language he uses so well.

In answer to the hon. member's question, I may say that at the last session of parliament the Canada Shipping Act was amended to empower the governor in council to make the necessary regulations to prevent air pollution from ships in Canadian waters. Proposed regulations have been drafted and have been under study. Certain modifications have been suggested and these are at present receiving consideration.

Because of the international aspects of the problem, particularly in the great lakes area, the proposed regulations have been forwarded to the United States authorities in the hope that federal agencies of both countries may be able to produce regulations which will be satisfactory to each.

GRAIN

WHEAT—REQUEST FOR DATE OF FINAL DURUM PAYMENT

On the orders of the day:

Mr. Hazen Argue (Assiniboia): I should like to direct a question to the Acting Minister of Agriculture. Can the minister give the house any information as to when the final payment for Durum wheat may be made? I ask this because of the cash shortage on the prairies and the fact that Durum has been obtaining a very ready sale.

Hon. D. S. Harkness (Acting Minister of Agriculture): I regret that I have not that information with me, but I will secure it and try to answer the hon. member tomorrow.

FISHERIES

NEWFOUNDLAND—REPORT ON SURVEY OF STORM DAMAGE

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): May I direct a question to the Minister of Fisheries. Is he in a position to report on the survey which he stated on January 24 his department was undertaking on the effects of the storm in Newfoundland in December which destroyed private property belonging to fishermen?

Hon. J. A. MacLean (Minister of Fisheries): I want to thank the hon. member for Trinity-Conception for giving me notice of his intention to ask this question. A detailed report of damage arising out of storms in mid-December has been received from the St. John's office of the Department of Fisheries. The report covers the entire east coast from cape Race to cape Norman and from cape Norman to Flower's cove. Damage in varying degrees is reported from many settlements with greatest severity in Hamilton sound, Bonavista south, Trinity south and the Hibbs cove area.

In all cases the damage would appear to be considerably less than originally reported. Although in some instances individual fishermen suffered substantial loss, in no case does it appear to reach general disaster proportions. In situations of this kind, any application for assistance should be directed to the provincial government. If the magnitude of such claims is sufficiently great, the province may wish to submit the problem for federal consideration.

In instances where federal government facilities were damaged, repairs will be proceeded with as quickly as possible. Steps are currently taken to secure material requirements.

Hon. J. W. Pickersgill (Bonavista-Twillingate): May I ask a supplementary question. Will the minister and his department give consideration to the possibility, in some of those settlements where fishermen lost slips of their own and are not in a position to instal new ones, of putting in small community slipways to meet the problem? I am not asking for an immediate answer, but merely for consideration.

Mr. MacLean (Queens): I will be very pleased indeed to take this suggestion into consideration. As a matter of fact it has been considered to some extent already by the officials of my department.

INDUSTRY

BASE METALS—EFFECT OF POLICY ANNOUNCEMENT BY PRESIDENT KENNEDY

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask the Prime Minister a question relating to base metal production in this country at the present time. I should like to ask the Prime Minister or one of his ministers who is responsible, what effect if any they can discern of the statement of policy President Kennedy announced last week with regard to stockpiling base metal, and what repercussions it may have here?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, that is obviously a question that requires some consideration, and it will be taken as notice.

Inquiries of the Ministry

UNEMPLOYMENT INSURANCE

ADVISORY COMMITTEE—STATEMENT AS TO MEETING AND REPORT

On the orders of the day:

Hon. Michael Starr (Minister of Labour): Mr. Speaker, on Thursday last the hon. member for Welland (Mr. McMillan) asked a question with respect to the report of the unemployment insurance advisory committee. I wish to inform him that the last report I received from the unemployment insurance advisory committee for transmittal to the governor in council was dated July 18, 1961. The committee last met on July 18, 1961 and this was the report of that meeting, which I received on July 21. That report was tabled on September 7, the day this house reconvened.

RETENTION OF BENEFITS DURING CIVIL DEFENCE COURSE

On the orders of the day:

Hon. Michael Starr (Minister of Labour): Mr. Speaker, on Friday last the hon. member for Peterborough (Mr. Pitman) asked a question respecting benefits for people who are taking civil defence courses. I want to say to him that I did receive a letter from the co-ordinator of the emergency measures organization at Peterborough suggesting that a formal directive be issued to unemployment insurance offices to authorize the payment of unemployment insurance benefit to claimants attending training courses at the civil defence college in Arnprior to qualify as instructors in survival measures.

I referred this to the unemployment insurance commission, who point out that under section 54(2) of the Unemployment Insurance Act a claimant for benefit has to be available for work, and that this means he must be ready and willing to accept suitable employment immediately. A person attending a course away from his home area, as would be the case here, is unable to fulfil this condition and consequently benefit cannot be continued to be paid to him.

Under section 57(3) of the Unemployment Insurance Act the commission may direct a claimant to a course of instruction, in which case the claimant's availability is maintained. A course of instruction in this context, however, is one whose purpose is to enhance a claimant's opportunities for employment, and unfortunately the course given by the civil defence college does not fall into this category.

AGRICULTURE

FRUIT, VEGETABLES AND HONEY ACT—INQUIRY AS TO REPEAL

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Acting Minister of Agriculture on behalf of some of my constituents who say they smell a rat and see it hovering in the air and want an opportunity to nip it in the bud.

Is the government giving consideration to the repeal of the Fruit, Vegetables and Honey Act and incorporating the provisions of this act with amendments in the Canada Agricultural Products Standards Act?

Hon. D. S. Harkness (Acting Minister of Agriculture): Mr. Speaker, this is a question of which I have had no notice. I think the hon. member will realize that I am in no position to answer it without consultation.

Mr. Herridge: I must explain that I sent notice some time ago. There must have been a slip-up between my office and the minister's.

(Translation):

AIR TRANSPORT

QUEBECAIR—EXCLUSIVE OPERATION ON SEPT ILES SERVICE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to put a question to the Minister of Transport. Has the minister undertaken, orally or in writing, to secure for Quebecair Incorporated exclusive rights on flights between Sept Iles and Quebec city?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, during discussions with Quebecair, I did undertake to ask T.C.A. to discontinue its service to Sept Iles so that Quebecair could have exclusive rights on that route. After considering the matter, T.C.A. officials decided that they could not comply with that request under the circumstances.

Mr. Chevrier: Mr. Speaker, my question war worded as follows. Has the minister undertaken, orally or in writing, to secure from the authorities concerned that Quebecair be granted exclusive rights on flights between Sept Iles and Quebec city?

Mr. Balcer: Mr. Speaker, I do not remember exactly what terms were used, but I made the decision known to Quebecair in writing.

Inquiries of the Ministry

[*Later:*]

Mr. Chevrier: I should like to ask a supplementary question of the Minister of Transport.

Naturally, I cannot force him to answer my question but he still has not told us whether or not he had promised Quebecair officials the exclusive right to operate an air service between the two points in question. He merely replied that he had informed Quebecair of the T.C.A. decision. My question was directed to him personally and I wanted to know if he had promised Quebecair the exclusive right to operate flights between the two points in question.

Mr. Balcer: Mr. Speaker, I have nothing to add to my previous reply.

(Text):

TRANSPORT

USE OF U.S. SECURITY GUARDS IN CANADIAN SHIPYARDS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I should like to direct a question to the Minister of Transport. Has any member of the government received protests concerning the employment of the United States owned Pinkerton agency's guards, wearing this agency's United States uniform, including American eagle cap badges, etc., by shipyards receiving Canadian government contracts and subsidies from Canadian taxpayers, instead of members of the corps of commissionaires or employees of Canadian owned security firms?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I received notice of this question just as I was coming into the house. All I can remember offhand is that approximately a year ago I received some representation about a United States agency, but I am not certain whether this is the agency mentioned by the hon. member. I will inquire and let him know tomorrow.

HOUSE OF COMMONS

WELCOME TO HON. MEMBER FOR LONDON ON RETURN AFTER ILLNESS

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I say that I am sure all hon. members of the house are very happy to see the hon. member for London, the Minister without Portfolio (Hon. Mr. Halpenny), who has been ill, back in his seat.

Some hon. Members: Hear, hear.

[Mr. Balcer.]

MR. PICKERSGILL—REFERENCE TO REMARK IN DEBATE ON FEBRUARY 2

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask to have a correction made in the *Hansard* of last Friday at page 520, in the second column, lines 4 and 5. It reads:

—the only matters that would be brought before the committee of supply—

What I actually said was:

—the only matters that would be brought before the house.

Some hon. Members: Oh, no.

An hon. Member: That is what you said.

Mr. Churchill: Mr. Speaker, that changes the whole tenor of the remark of the hon. member.

An hon. Member: That is not what he said.

Mr. Speaker: Order. It makes no change. This is an explanation in which the hon. member now indicates what he said, but of course the original text stands.

Mr. Pickersgill: That is what I said.

OLD AGE SECURITY ACT

AMENDMENT TO INCREASE AMOUNT OF PENSION

Hon. J. W. Monteith (Minister of National Health and Welfare) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Old Age Security Act to increase the amount of monthly pension payable thereunder to $65 per month.

Motion agreed to and the house went into committee, Mr. Martineau in the chair.

Mr. Monteith (Perth): Mr. Chairman, in October, 1957 I had the honour of introducing in this house, on behalf of the present government, amendments to the Old Age Security Act which increased the level of benefit to $55 a month, lowered the residence requirement from 20 to 10 years, and increased the length of permissible temporary absence of pensioners from Canada from three to six months.

In May, 1960 the government placed before this house a further amendment to the Old Age Secutiry Act designed to extend and improve provisions for the senior citizens of Canada. Through this legislation, payment of old age security outside the country was made possible for the first time in our history. Persons entitled to old age security payments who leave Canada for a few months to escape the rigours of our winter climate now receive their pensions as they would at home. And

for thousands of older persons who have left Canada to be with their sons or daughters, or who have taken up residence abroad because of health, or for other personal reasons, old age security benefits are now received on a permanent basis.

Today I am privileged on behalf of the government to introduce our third measure in little more than four years to improve still further the position of those members of the Canadian community who during their lifetime have contributed so much to the economic and social growth of our nation. The resolution now under consideration provides for a substantial increase in the monthly pension payment, from $55 to $65. This represents an increase of over 18 per cent in the basic benefit now being provided for more than 930,000 Canadians.

In providing for this increase in the universal old age pension, I would point out that there are two other important aspects relating to the adequacy of income maintenance provisions for Canada's senior citizens. The first relates to those persons for whom the $65 now being provided under old age security and old age assistance proves to be inadequate. As in the past, the federal government is prepared to share with the provinces half the cost of any additional assistance which is needed over and above the basic pension.

Under the federal unemployment assistance program through which this is achieved, there is no ceiling on the amount which the federal government will share in meeting the individual needs of older persons. It is left to the provinces to determine the upper limit of the additional assistance. For example, if a province were to decide that the upper limit should be $85 or even higher in relation to the special needs of the individual pensioner, we would be prepared to pay 50 per cent of the cost involved, that is of the cost over $65. The federal government would then actually be paying over 88 per cent of the $85.

The second aspect of making adequate income provision for our senior citizens relates to the question of contributory old age survivors and disability insurance which, as indicated in the speech from the throne, is to be placed before parliament if the provinces view with favour a suitable amendment to section 94(a) of the British North America Act.

The government's objective in this regard is clear cut. Our aim is to have an integrated program of old age income security which, in addition to the universal flat rate benefit, will provide a graduated benefit for all those who can reasonably afford further provision for their old age and who have not already undertaken it under private pension plans or other contractual agreements.

Mr. Chairman, as you know, this government has, through federal-provincial conferences called by the Minister of Justice, been endeavouring to reach agreement on the question of having our constitution amended in Canada. This has been our hope, but we now feel it is necessary to ask the provinces to agree to an amendment to the B.N.A. Act so that we may proceed with our decisions in this regard.

The constitutional question may be raised. When the Liberal government was considering the introduction of unemployment insurance in 1940 the prime minister of the day wrote to the provinces and consulted with them concerning an amendment to the B.N.A. Act. All provinces agreed, and an amendment was obtained stating beyond doubt that the authority for such a program was within federal jurisdiction. Again, in 1951, the Liberal government sought an amendment as a basis for the introduction of the old age security program, and a mutually satisfactory amendment was worked out.

The program the government proposes to place before this house involves the provision of benefits to widows and to dependant children, and benefits to disabled persons under a social insurance plan. On the basis of advice from law officers of the crown the amendment to section 94A obtained by the previous government would not permit the inclusion of benefits payable under certain circumstances to widows and children, nor to contributors who become disabled before they are old. It would be folly indeed to initiate the greatest undertaking Canada has ever made with respect to social insurance without having consulted with the provinces and without having ensured that the constitutional authority for such a program has been established.

The Liberal pension program says that the individual will have to choose between a pension at age 65 or a larger pension at age 70. In other words the contributory pension commences at age 70, but if you want an actuarially reduced benefit you can get it at any time after 65.

This point should be clearly understood by all and not glossed over. Under the program which this government plans to place before parliament if the provinces agree to the constitutional amendment, the age of commencement of benefit for those who have retired is 65. If anyone wishes to receive the benefit at an earlier age, an actuarially reduced benefit may be received as early as age 62. This is the provision available under the old age and survivors insurance program in the United States. In developing a program for

Canada, this government considers this to be a feature which will meet the wishes of the Canadian people.

Retirement at age 65 is the common employment practice in Canada as in the United States. How could one envisage a contributory retirement plan that does not recognize these facts of life? This has been one of the main weaknesses of the existing old age security program, and one which we propose to correct. But we do not propose to do it by making those in the 65 to 69 age group second class citizens by suggesting that they should get less, as is proposed under the Liberal plan. If Canada is going to have a truly contributory plan, how can such a proposal as that be justified? The "six-buck" mentality, the hedging, is still here in this latest Liberal effort. But after hearing that the government's program commences at age 65 with a reduced benefit being available at age 62, as under the United States program, we will no doubt hear that the Liberal plan has been altered once again.

A few weeks ago under the Liberal plan married couples were to get $130 a month, or $65 a month each, and all this was to happen within one year of the passage of legislation. But when the government program of $130 a month benefit for a married couple became known, the Liberals suddenly decided that their proposal of only a few weeks earlier was not really enough, that the senior citizens of Canada had risen in their estimation and, as a result, married couples would now be offered $140 a month. And in announcing this sudden change of heart the hon. member for Essex East, at last week's Liberal conference, said the Liberals were spurning the cynical competition of seeking votes by making promises to the older people of our country. What could be more cynical than this remark?

We anticipate that in due course the government program will be placed before this house for consideration. At that time the benefit formulae, illustrations of what benefits will be payable for different persons, will be given. I can assure hon. members that the minimum benefit will be over and above the bare $65 a month, so that persons who have been in a relatively low income throughout their working life will receive a reasonable income from this source. At the same time there will be a spread in the amount of benefit which will relate the amount of benefit to previous contributions.

I can assure the committee, too, that the program will not take a long period before contributors will be eligible for benefits. We recognize that adequate benefits must be available not only for persons who are now 70 years of age and over, but also for the many persons who are now in their fifties and sixties, and that determining when partial and full benefits must commence is an important consideration. The provision made in the Old Age Security Act will form part of a new and extended program so that those 70 years of age now and those reaching 70 in future years will continue to receive the flat rate universal payments.

In this context the amendment presently before the committee represents a simple, straightforward next step which can be considered now while efforts to bring into being this more complex and broader program are being pressed forward.

As far as the present pension increase is concerned, it will result in a substantial rise in expenditures under the Old Age Security Act. Current outlays under this program in this fiscal year are estimated at $606 million. The increase in expenditures arising from a growth in the number of persons in this age group will raise old age security payment costs to $623.3 million in 1962-63. The additional cost of the $10 a month increase in benefits will be about $113.4 million, bringing total outlays to some $737 million.

Mr. Chairman, the Old Age Security Act was passed about a decade ago. For almost six years after the introduction of this legislation no further legislative action was taken by the previous government to improve it or to provide a more adequate level of benefit than the $40 a month that had been in effect under the previous old age pension program. Then a meagre $6 a month was budgeted for our older people, even though the federal treasury had a substantial budgetary surplus.

With the present amendment, this government seeks the approval of parliament for its third effort in just over four years to improve the lot of pensioners across Canada. These added costs, I would emphasize, are not undertaken lightly. But having regard for the relationship between present day living costs and the income of the great bulk of our senior citizens, we feel sure that the people of Canada will endorse this step.

Together with similar actions we are proposing under the other assistance programs and our plans for contributory social insurance, this amendment represents a further phase in a sequence of legislative developments which we hope, with the co-operation of the provinces, will lead to an integrated and expanded program, a program capable of providing an increasing measure of social justice for all Canadians.

Mr. Chairman, it is my belief that the resolution now before the committee merits the support of all hon. members. I will, of course, have more to say when the bill is

brought down, but I think I have given sufficient explanation at this stage to justify approval in principle of this latest endeavour on behalf of the senior citizens of Canada.

Mr. Martin (Essex East): Mr. Chairman, the amendment which has been introduced by the Minister of National Health and Welfare is one which we in the Liberal opposition will support. It is an amendment brought in to an act which was first placed on the statute books of this country by a Liberal government.

The minister has spoken of the subsequent resolutions providing for increases in disability pensions, old age assistance and blindness allowances. Of course, as the minister knows very well these, too, involved amendments to acts placed on the statute books of Canada by Liberal governments. In fact the hon. gentleman, as Minister of National Health and Welfare, is in the position of being able to say, on the eve of a general election, that whatever amendments he has brought forward to social welfare legislation have been to acts first proposed in this house by Liberal governments, often in the face of opposition to those measures by members of the Conservative party. Such measures include, of course, not only the universal old age security scheme introduced in the autumn of 1950, old age assistance, blindness allowances, disability pensions, the Hospital Insurance and Diagnostic Services Act but, as well, family allowances.

Mr. Fulton: The Liberal government did not introduce the hospital insurance act.

Mr. Martin (Essex East): The Minister of Justice appears to forget that it was a Liberal government that placed before parliament the act out of which came the existing hospital insurance scheme. The hon. gentleman of course does not follow these developments too carefully, and perhaps he is unaware of that further contribution made by a Liberal administration.

Mr. Fleming (Eglinton): The Liberal government did not bring that legislation into effect.

Mr. Martin (Essex East): We in the Liberal party will support this resolution as we always have supported resolutions of this nature. We do not do so, however, because we feel the proposed increase is adequate. It is not adequate. We ourselves have put forward what we regard as an adequate increase in the basic pension. We have recommended a basic national minimum pension of $75 a month. We have done that in a responsible way, one that will commend itself to those who have to pay for these measures. They will recognize in the proposal we have put forward a scheme that does not involve any further taxation.

Mr. Fleming (Eglinton): It is a scheme, all right.

Mr. Martin (Essex East): This will be paid for by those who will benefit by the proposal. As the Canadian people study and consider this proposal they will recognize that at long last there has been put forward a proposal for a responsible plan of retirement that is in keeping both with the need and the capacity to meet the need.

An hon. Member: At long last.

Mr. Martin (Essex East): I know that hon. gentlemen opposite do not like to be told that we regard this proposed increase as inadequate. I know they do not like being anticipated, as they were by the Leader of the Opposition before Christmas, after studying a report which the government caused to come into existence.

Mr. Drysdale: Why did you not bring in an adequate increase when you had the chance?

Mr. Fleming (Eglinton): Would the hon. member permit a question?

Mr. Martin (Essex East): I have only half an hour, but if the minister will recognize that limitation I shall accept the question.

Mr. Fleming (Eglinton): My question is brief. Was the $6 increase from $40 to $46 per month which was introduced by the hon. member's party early in 1957, adequate?

Mr. Martin (Essex East): Mr. Chairman, of course it was not adequate. No pension—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): No pension put forward in the way that was put forward and in the way this increase is being put forward would be regarded as adequate by any responsible, social minded person, compared with the need that faces so many Canadian people.

Mr. Fleming (Eglinton): Does the hon. member realize he is indicting himself?

Mr. Martin (Essex East): That is why I say the increase recommended in this resolution is not adequate to meet the needs of the great majority of the people of Canada who come within the retirement age group.

Mr. Fleming (Eglinton): The hon. member has really put his foot in it now.

Mr. Martin (Essex East): Hon. gentlemen opposite make much of what they have done. I think it is well for us to consider what the balance sheet in this regard really indicates.

When the legislation arising out of this resolution has been approved the Conservative government that has emulated the Liberal government in introducing amendments to Liberal legislation will have increased old age pensions by $19 a month from the amount in 1957 to the proposed amount of $65, so this government's share of the pension will therefore be 30 per cent. But, Mr. Chairman, that is not the whole story, and no one knows this better than the Minister of Finance. In 1959, the Conservatives increased the tax formula used to finance these pensions from 2-2-2 to 3-3-3. Their share of the tax is therefore 33 per cent. They are therefore giving to the people of Canada less than this government received from the Canadian taxpayers for the purpose of financing the old age security scheme. Whatever increases have been provided by this government—and that situation will apply right up to the passage of this legislation—it will be seen that what this government has given with one hand to the old people of our country, it has taken by the other from them in the form of additional taxes which these older people, like other Canadian citizens, must pay.

Mr. Pugh: Will the hon. member permit a question?

Mr. Martin (Essex East):—as a result of the improvident way in which this government has handled public affairs.

Mr. Fulton: Does the hon. member not know that most Canadians pay lower rates of taxes than when he was in office.

Mr. Martin (Essex East): The Minister of National Health and Welfare rather surprised me by giving so much attention to the plan which was announced by the Leader of the Opposition early in January, long before this house was assembled and long before this house was provided, through the speech from the throne, with knowledge of the government's intention. Since the Minister of National Health and Welfare has given some attention to this proposal, I think it is well that we in turn should emphasize, for the benefit of the minister and for the enlightenment of the Canadian people, further aspects of this proposed scheme of ours which will provide a national minimum not of $65 but of $75 on a basis that is responsible in every way. It is responsible in the way in which it was conceived, and is responsible in the way in which it is to be financed. More than any other scheme this one will have the effect of discouraging what I complained about last Tuesday, namely the obvious interest of certain political parties in competing with one another in this field, and particularly the temptation for this particular government to display its great interest in the social welfare of our people on the eve of a general election.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): I know it hurts hon. gentlemen to hear this, but this is part of the case that hon. gentlemen must listen to. Hon. gentlemen forget that the present universal scheme was brought into being in 1950, when no election was in prospect and therefore it could not be argued that we were thinking in terms of an election.

An hon. Member: What about March of 1957?

Mr. Martin (Essex East): In spite of the suggestion which came from the Leader of the Opposition and from the Clark report since 1957, the government has delayed up until the very eve of the dissolution of this house for the purpose of trying to put before the Canadian people a diversion, in order to encourage them to think well of the government, because it extended a particular social program, and in the expectation of causing the Canadian people to forget its ineptness, incapacity and incompetence in providing good government.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): The Canadian people are not going to be fooled by this particular device.

Mr. Grafftey: What about March 1957?

Mr. Martin (Essex East): Let the government of the country face the social needs that exist. Let them address themselves to this need on the basis of merit rather than indulge in what is so obviously a political trick unworthy of any government in Canada.

Mr. Fulton: Is the hon. member going to support a political trick?

Mr. Martin (Essex East): This proposal to which the Minister of National Health and Welfare referred is the product of considerable study. First of all, it was resolved at the national Liberal convention of 1958 that we should support a plan based on the contributory principle following the pattern now in vogue in the United States, for almost 18 years and practiced in the United Kingdom, Switzerland and certain of the Scandinavian countries.

Mr. Fleming (Eglinton): Was that convention not before the last election?

Mr. Martin (Essex East): The plan involves a proposal for a contributory pension, one worthy of the Liberal party, the author of every single act of social welfare on federal account that has been enacted in this House

of Commons. There are four essentials in our plan. First, we believe that for the first time it will assure Canadians that they need no longer be concerned about security in their years of retirement. Under this plan everyone will have the opportunity—and much of it was given by way of encouragement in the Clark report—of getting a pension equal to a good proportion of the income that he has been earning. It will be established immediately, once the necessary legislation has been brought in, as it will be brought in during the course of the next 14 months by a Liberal government.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): This Liberal plan —and I repeat this—I hope will eliminate the competition in which some political forces in this country have been engaged. This system is based entirely on the principle of contribution, where the pension is commensurate with the means taken by each individual Canadian citizen to meet the need, and it will serve as a standard for whatever improvements are to be made from time to time in the plan itself. The pension will be available at the age when most people retire, namely at the age of 65. I hope the Minister of National Health and Welfare will observe that particularly because of what he said in this regard a few moments ago.

This contributory pension proposal of the Liberal party will approximate one third of the earnings that a man has been making during the years when his wages were at their maximum. I want to give again an example I gave the other day when speaking outside of this house and when I mentioned the case of the average wage earner in Canada at the present time. Under the statistics given to us by the government the average wage earner in Canada makes about $78 a week at present. Provided that he is now under 60 years of age, he can rely on getting in ten years' time a pension of $243 a month; that is assuming that he is married so that both he and his wife are drawing a flat rate of pension of $65 a month. The Liberal plan will provide on top of that an additional pension of $113 a month. The total of the two $65's and the contributory pension will make $243. This plan will apply only on earnings up to $500 a month. This is a plan intended to assist not those who do not need this kind of assistance but rather the vast majority of the Canadian people whose earnings are under $500 a month or those in that category.

I have talked about the benefits of this scheme at age 65. I have talked about them by implication in terms of the age of 70. But under our plan no one will have to wait until that age. In formulating our plan we took account of the fact that many of the existing pension schemes provide for retirement at the age of 65. If a man prefers, he will be able to start his pension under the new plan at the age of 65. Of course in that case, because the scheme will be actuarially sound as well as financially sound, it will be a smaller amount but always above the minimum of $75.

And there are other features that the minister neglected to mention when he talked about this plan. It will be completely portable, and I recognize at once that with regard to this aspect of the proposal a constitutional amendment is essential. But to rely upon the constitution as a device for not proceeding with other features of this plan is simply the government's way of saying that they do not propose to embark upon such a plan, at this time at any rate; or perhaps it might be better put that the government is saying that the Liberals surprised them because they came forward with a plan before the government did, notwithstanding the fact that they had the Clark report before we did.

Under our plan a man will not lose his pension rights if he suffers unemployment. His contributions will stop while he is out of work but that will not count against him when the time comes to draw his pension. All wage and salary earners will participate in this plan. Self-employed people, of course, face a different situation, but the Liberal plan will be open to the self-employed to join if they wish, and it will be in their interests to join it just as it has been in the interests of Canadians all over this country to join the hospital insurance plan notwithstanding that many classes of our citizens did not find it necessary under the legislation to participate in this scheme.

Mr. Fulton: It took you 38 years and you could not even get it going.

Mr. Martin (Essex East): The Minister of National Health and Welfare rather amazed me today when is discussing this plan he let the cat out of the bag as to why the government did not proceed with a plan in which the Prime Minister had said many months ago was one in which he was going to see that Canadians were given an opportunity to participate. I think it is well to try to analyse why the government is now coming forward with only this inadequate increase, confronted as it is with a national minimum of $75 a month proposed by the Liberal party. Why is the government not proceeding as we propose with a scheme based upon the studies made by Professor Clark in the winter of 1958?

I ask hon. members to recall some words that were uttered in the house by the Prime Minister on January 13, 1958, in this connection. This was after the Liberal convention. It was immediately prior to the dissolution of parliament, a time when the Prime Minister obviously was looking for all the ammunition that he could muster to assist him in encouraging the Canadian electors to make the mistake they did in selecting him as prime minister of this country. Here is what the Prime Minister said, as found on page 3233 of *Hansard*:

> Speaking in this house on November 19 last, as recorded at page 1298 of *Hansard* of that date, I said:
>
> "—we in this government and party intend at the earliest possible date, in addition to the present pension systems, to give full consideration to investigating the insurance system in the United States to the end that we will bring about in Canada a rounded and effective contributory social security system over and above that which already exists."

That statement, Mr. Chairman, was not made during the course of this parliament. That was in 1958, just before the general election. The Prime Minister went on to say:

> My reason for referring to the United States insurance system at that time was simply that of all the systems of government old age security in effect in the world today—

Listen to these words, Mr. Chairman.

> —I know of none which equals the widespread benefits provided under the United States contributory system. I also referred to that matter when I spoke in Antigonish, Nova Scotia, on April 30, 1957.

If that was the view of the Prime Minister on January 13, 1958, one is prompted at once to ask why he has waited until the eve of an election in 1962 to attempt a part of something which he clearly implied to the Canadian people he was going to do within a few months in 1958.

Mr. Pickersgill: He is not doing it now.

Mr. Martin (Essex East): And, of course, he is not doing it now. He simply puts forward the hope that in some long distant future "if we can get a constitutional amendment, if we can get agreement with the provinces, if they are elected" they might give consideration then to doing something which, without any qualification, he said in 1958 he was going to do almost forthwith. In that regard he used these words to be found in the second column on the same page:

> With these facts before us we have decided that further detailed investigation and inquiry should be made as quickly as possible to produce the information which will enable us to determine whether a similar system or some modification of it would be fitted or adapted to our Canadian requirements, in addition, of course—and I should like to emphasize this point—to our present system—
>
> In that connection, there has been no complete Canadian study undertaken since the parliamentary committee reported in 1950. In the light of the intervening years a further investigation is needed in order to ascertain on the basis of experience what if any changes should be made in the recommendations made by that committee.

[Mr. Martin (Essex East).]

On November 19, 1957 the Prime Minister, in the course of a speech on another matter, referred to his belief in the United States social security system which in principle we in the Liberal party have put forward today. He was in favour of it then, and he was in favour of it certainly by implication on January 13, 1958. Yet all we have from this government today, in spite of the speeches made by the Prime Minister from one end of Canada to the other about the desirability of adopting the United States social security system, is an inadequate increase based upon an act introduced by a Liberal government in 1950.

Mr. Diefenbaker: Would the hon. gentleman permit a question at this point? Would he enlighten the house as to what he meant on May 8, 1956, as reported on that date, when he advised the city council of Toronto that the federal government could not afford to raise the old age pension to $50 from $40 a month? When did he finally conclude that the time had come for an increase to over $50?

Mr. Pickersgill: That is just a diversion of the hon. member's speech.

Mr. Martin (Essex East): The Prime Minister has not asked a question for enlightenment. He has asked the question obviously for the purpose of carrying on, as he usually does, his diversionary tactics. I would simply say to the Prime Minister—

Mr. Fleming (Eglinton): Now we are going to witness Paul's diversionary tactics.

Mr. Martin (Essex East): —that that reply in its context, and having in mind that we were then seeking to work out arrangements for hospital insurance, constituted a responsible attitude to take.

Mr. Fulton: Thirty eight years and you could not even get hospital insurance going.

Mr. Martin (Essex East): We are now putting it forward, and that is what the Prime Minister does not like. We in the Liberal party are now putting it forward based on the Clark report, my hon. friend's own book, created out of his own mind by his own child, his own forebear. We are putting forward a proposal that will give not $50 a month, not $65 a month, but a minimum pension of $75 a month.

Mr. Starr: You have no intention of doing that at all.

Mr. Martin (Essex East): We are putting forward a plan that is responsible and involves no further taxes but will be paid out of the contributions of individuals, just as my hon. friend said could be done when he spoke in Antigonish and made one more of his many unfulfilled promises which are mainly responsible for the right hon. gentleman sitting where he is today but where he will not be for very long.

Mr. Fleming (Eglinton): Talk about diversionary tactics.

Mr. Martin (Essex East): On January 24, 1958 the Prime Minister announced a matter of importance, as recorded at page 3729 of *Hansard*. He said that in view of the fact that Professor Huson had been unable to discharge his responsibilities as a royal commissioner to investigate the desirability of adopting the United States social security system, Professor Clark of the University of British Columbia had been appointed to carry out the assignment which Professor Huson said he could not carry out. It is important to know why Professor Huson resigned from the royal commission. The Prime Minister said in this house that there was to be a study of the United States social security system and that the study was to be completed within four months. Professor Huson said he could not finish it in four months and, being a responsible man, he resigned from the assignment.

Then the Prime Minister was able to get Professor Clark to make the study. There was then no suggestion as to how long Professor Clark would take, although everyone expected that since the Prime Minister had laid down four months as the period in which the study must be made, that was going to be done. Curiously enough, this coincided almost to the day with the time when the election was held. We did not get the report of Professor Clark when we reconvened shortly after the election of 1958. It was a long time before we received an assurance from the Minister of National Health and Welfare that the report was finally in his possession but we were informed he had not completed his study of the report. No one ever will forget how day after day, session after session, after Professor Clark had made his report, the Minister of National Health and Welfare would say that he was studying the report and just as soon as the report had been studied the house would be advised of the government's position in connection therewith.

It was only last July that the Minister of National Health and Welfare, the most studious man in the house, obviously the greatest scholar in the house, finally told us that he had read the report and that we might expect some announcement with regard to government policy based on the Clark report. Then it will be remembered that last fall at the University of Western Ontario when the minister refused to debate with me, he assured me that my curiosity would shortly be satisfied because the government was going to announce its policy. The presumption was that this announcement would be made in the speech from the throne. The country as a whole took from those observations of the minister that at long last, after four years of study, the government was going to bring forward its policy based upon the Clark report and set up in Canada a system based upon the social security system in the United States.

The Chairman: Order. I am sorry to interrupt the hon. member at this time, but his time has expired.

Mr. Diefenbaker: The hon. gentleman was interrupted, and I suggest that we could listen to him for five minutes more.

The Chairman: Has the hon. gentleman leave?

Mr. Martin (Essex East): I will wait and hear the Prime Minister so that I can follow him.

Mr. Martin (Timmins): Mr. Chairman, we have just been given a fair example of why old age pensioners find themselves in the plight in which they are in this country at the present time. When I heard the hon. member for Essex East say that the Liberal share of the old age pension was $46 and the Tory share was $19, I just wondered when consideration was going to be given to when the old age pensioner was going to get his share. If half the thought, time and energy were being directed toward the share belonging to the elder citizens of this country, I think conditions would improve very quickly.

Before I go any farther I should like to welcome this measure. This $10 per month increase is very welcome to the old age pensioner, and is something that has been long overdue. We only have to go back to the session of 1957-58 when the last $9 increase was granted. Most of us who were here at that time clearly recall the words of the Prime Minister that this was only a temporary measure and there was going to be a better adjustment when we had time to look things over. Of course no mention was made of when this was going to be done. They did not

say the old age pensioners would have to wait until another election before the adjustment would be made.

You know, Mr. Chairman, the present government is threatening to steal completely the social security rut that was carved so deeply by the former Liberal government. Let us make a brief résumé of the history of this rut. If we go back we find that the old age pension was originally inaugurated to coincide with the federal election of 1926, when the pension was set at $20. Then in conjunction with the general election of 1940 we had the introduction of the Unemployment Insurance Act. There was a $5 increase in the old age pension in 1943, right after the Liberals lost the Ontario election and the government was formed with 38 Conservative members and 34 C.C.F. members in opposition. The Liberals were practically wiped out, so we got an increase in the old age pension.

Then family allowances were introduced to coincide with the general election of 1945. In 1949 another general election year, there was an increase of $10 in the old age pension. We had another $6 increase to coincide with the 1957 election, at which we also got a hospital insurance program, tightly tied with strings. I have not made a minute study, but as the result of a brief check I find that the only measure that was not introduced to coincide with an election under the Liberal regime was the Old Age Assistance Act, which was passed in 1951. Unfortunately the present government are taking care of this oversight because now they are making that part of the political treadmill.

Today, Mr. Chairman, we had an outline from the hon. member for Essex East of what the Liberals are promising this year. If those of us who are old enough would cast our memories back to 1919—when incidentally I was two years old—they would recollect that was when the Liberals promised health insurance. I do not see any reason why we should take this promise any more seriously than we should have taken that one at that time.

As I said, I regret that the present government seems to have fallen so deeply into this rut. What do we see as a result of their relatively short term in office. We had a $9 increase in old age pensions to coincide with the election of 1958, plus a promise of a raise in the future. Of course the strings were removed from the hospital insurance plan at that time, too. Now we get an increase in the old age pension, again to coincide with the election of 1962. As I said, unfortunately old age assistance, blind pensions, disability pensions, apparently all are to be thrown on to the political treadmill. It seems that the best the elderly people of this country can hope for under either a Liberal or a Conservative government is that they will be able to live until another election comes along. In fact, if things carry on as they have in the past I would advise them, instead of going for an increase, to go for having an election every year and then their needs would be looked after.

Having congratulated the government on this measure at this time, I think it also deserves some criticism. I say that because this measure, as with other plans in the past, is not really based on anything at all other than an election gimmick. It bears no relation to the needs of our senior citizens; it bears no relation to their present standard of living; it bears no relation to their present salaries. Therefore I feel that what the minister said about this future contributory pension is correct and it will be a much better solution than any plan we have had in the past with regard to our old age pensioners.

As far as our old age pensioners are concerned, I think first of all a proper basis should be set for our elderly citizens, a proper minimum, and this minimum should have some relation to just what is needed and what is necessary so that our senior citizens can live in some dignity in this country. I think that is one thing that has never been done in the past. In addition to this, I heartily concur with the minister in the idea that some kind of a contributory plan should be made available over and above this basic minimum pension. Of course we have advocated this for many years. It is amazing how rapidly, when election time comes along like this and it becomes time for some action to be taken in the social security field by either of the old parties, they turn to the plans proposed by the former C.C.F. party and the now New Democratic party to get ideas for their plans.

As I listened to the hon. member for Essex East I could not help thinking about this document I have here, which is a draft policy statement written some years ago of the C.C.F. national superannuation plan. It is marked "confidential". I am just wondering whether the hon. member had access to this confidential document, though I think the confidential aspect of this document has long passed. However, it is amazing how the plan unfolded by the hon. member was almost word for word as is contained in this document. What really amazed me was that it was this document, or a very slightly amended document, that the Leader of the Opposition as late as last fall called completely irresponsible. I wonder whether the rapidly approaching election tended to change the value of responsibility as far as the Liberal party is concerned.

I should like to mention briefly a few of the things that we feel should be in this contributory plan. For example, we feel that it should be based on total contribution of 10 per cent of an employee's earnings, made up of 4 per cent by the employee and 4 per cent by the employer. Some may say, why should this be? I think it is generally accepted across the country today that employers have some responsibility toward making provision for the pension or retirement benefits of their employees. In addition to this 8 per cent, 2 per cent should be contributed by the federal government, making a total contribution of 10 per cent.

For self-employed people such as farmers, businessmen, etc., the contribution could be on the basis of 6 per cent by individual and 4 per cent by the federal government. This would result in a nation-wide plan which could be handled out of a nation-wide fund. People not earning enough to pay income tax would not be required to pay premiums. I think in our society today the closest assessment we have of what is needed for a person to live in this country is the income tax deduction. I think income tax deductions are based on the very minimum that is required for people to live at any kind of a decent standard in the country today.

Of course with regard to those people who never earned enough to pay income tax or to make contributions to this pension fund, they would qualify for the flat rate old age pension, which we feel, and have felt for some time, should be this figure that has suddenly come to the Liberals. Five years ago we were advocating that at that time it took $75 a month as a minimum for old age pensioners to try and maintain themselves. I am of the opinion, while we have no figures to back it up, that if a survey were made at the present time we would find that even the figure of $75 has slipped behind today's cost of living and is not in keeping with our present gross national product figure.

The question may arise, what about the present pension plans in this country? Goodness knows there are a myriad of them. There are private insurance plans, industrial plans, even union pension plans among the membership of the unions themselves, the M.P.'s pension plan, government annuities, and so on and so forth. Where would these fit in with a plan such as we envisage? We feel that the workers who are now covered by a pension plan should have the choice of remaining in their present plan or coming into this national pension plan, provided the standards of their present plan meet the standards required by the national plan. If they so desired they could join the national plan, but they must be assured at all times that their equity can be transferred to this plan. This would result in no loss of equity such as we have seen happen so often in the past and which we see happening on such a widespread scale at the present time. With regard to people who leave their employment for any reason at all, in far too many cases we find they have lost any benefits they may have built up while they participated in a particular plan.

This plan would also provide for complete mobility in our labour force. In many cases today we find people who would like to leave the employment they are in and seek some other employment for which they might be better suited. In so many cases we see what are popularly referred to as square pegs in round holes, or vice versa. In so many cases where there is some kind of a pension plan at the present time, these people are prevented from making a transfer which might be in the best interests of both themselves and the country in which they live. They are prevented from doing this by the pension plans which are now in effect in so many places.

I think that, most important of all, it would alleviate to a great extent the present problem of men over 45. I believe this is one of our greatest problems in connection with men of 40 to 45 years of age. Perhaps their industry has closed down; perhaps they have been forced out of work by automation. There are any number of reasons why men of this age may find themselves out of work. If you talk to any employer he will tell you that in most respects he would prefer to have a man of 45 rather than a man of 20 or 21 years of age because the older man is better trained and is more stable. But unfortunately they cannot do it because either they have a pension plan into which the man who is over 45 years of age would not fit, or they are afraid that within the next year or two they may be forced to enter some kind of pension plan where the contributions for an older employee would be too expensive.

This is one of the major reasons for the difficulties which men over 45 years of age experience today. If this government would take the lead in setting up machinery to provide a nation-wide pension plan under which benefits could be carried from job to job, it would certainly relieve, if not remedy, this particular bottleneck.

There is another important point which should be considered and incorporated in any such plan as is envisaged, namely the question of survival benefits. On the death of a husband, the wife or beneficiary should get the total premium benefits accumulated by

the employee. If the widow should die leaving children under the age of 21, any remaining benefits should accrue to them.

Mr. Martin (Essex East): Hear, hear. That is our plan.

Mr. Martin (Timmins): That would do away with some of the idiotic clauses we find in some pension plans across this country at the present time. We need go no further than to look at the present pension plan set up for members of this house to find clauses of the kind I have in mind. At the present time when the pensions of hon. members are paid and they are ready for retirement, either voluntarily or by compulsion, if an hon. member should pass away before he drew one pension cheque, his beneficiary would get all the money paid in to the fund by him over the years plus interest. However, should he have drawn one pension cheque his beneficiary would receive nothing. That is one of the anomalies which would be eliminated by the introduction of a sound and equitable pension plan available to all from coast to coast across this country.

There is a further clause which should receive consideration, and that has to do with the death benefit. We propose that this death benefit should be four times the amount of the monthly pension received by the individual up to a maximum of $600. This sum would be for the purpose of defraying any additional costs due to illness or death, and for assisting to pay the funeral costs. This is a matter which is of great importance, and it should receive full consideration before any pension plan is adopted.

There is one other point which we should consider. If we incorporated a plan of the kind now proposed, people paying into the fund across this country would provide the government with tremendous resources for capital development. In this manner the citizens of this country would be benefited in two ways.

Once more I should like to congratulate the government on this move, even though it may be tardy and inadequate. We look forward with great interest to learning the details of the plan which was outlined by the minister with regard to a contributory pension program.

Miss Aitken: This amendment is one of the most welcome measures to come out of the speech from the throne, and I should like to congratulate the government and the Minister of National Health and Welfare on bringing it in.

Many older people live in my riding of York-Humber. One reason for this is that we have a senior citizens' project there called Beech Hall apartments, where accommodation is offered at a price which the older people can afford. A project of this kind is, I believe, one of the finest contributions that government can make toward the happiness of our senior citizens. This particular building was made possible by three levels of government, and it was the first such block of apartments to be financed by Central Mortgage and Housing Corporation. There was one man who led the way in the construction of Beech Hall. He was the reeve of York township at that time and today he is the member of parliament for York South, Mr. William Beech. Because of the energy and leadership that he poured into the project, a grateful community called it Beech Hall. Then with the redistribution, because of the way geography goes, Beech Hall ended up in my constituency.

I have a filing cabinet in my House of Commons office filled with letters from the residents of Beech Hall. They are a gallant and uncomplaining lot of people, but most of them have to live on their old age pensions and from time to time I receive pitiful examples of how they must apportion their budgets. That is why I am especially happy that the old age pension is to be raised another $10 to $65 a month.

It is good to hear that this government is to introduce a contributory system so that every Canadian can build up his own pension. The hon. member for Essex East seems to think that he and his Liberal colleagues are the only Canadians who have given thought to this matter of contributory pensions. This is a big, bold step for a country the size of Canada to take. It certainly was too big and too bold for the Liberal government to take until goaded into it by the Conservatives. I have thought a lot about a contributory system of pensions, and I believe one way in which a pension fund could be built up quickly would be for every adult Canadian to contribute. There would also be contributions from management, perhaps from the profits of management, on behalf of every employee and from the unions, through union dues, in respect of every member. Surely it would be much better for a union to build up the security of its members rather than contribute to the insecurity of socialism. With regard to businessmen, farmers and professional men who work for themselves, I think a system of tax concessions could be applied so they might make their own contributions. I believe that under such a scheme we could build up a pension fund which would give Canadians a generous old age pension in addition to the basic government pension. In due course they would

pay their own pensions and this subject would be taken right out of politics.

There are at the present time nearly 900,000 old age pensioners, and if in their productive years in the past they had been able to build up their own pension funds they would not only have adequate pensions now but they would have the opportunity of collecting them at the age of 65, the normal retirement age. I hope that age limit will also be lowered in the not too distant future because many people, and particularly widows, find very difficult the five year period between 65 and 70.

In the meantime, on behalf of the older people in my constituency of York-Humber, I thank the government for this substantial increase from $55 to $65.

Mr. Martin (Essex East): Mr. Chairman, before taking my seat, at the expiration of my time, I had expressed interest in the statement made by the Minister of National Health and Welfare at the University of Western Ontario in London to the effect that we would shortly learn—it was presumed through the speech from the throne—the government's policy with regard to the study made by Professor Clark. I need only say I was greatly surprised when that speech was produced to find that the minister's indication of things to come proved not to be substantiated.

I have some reason for believing that consideration may have been given to bringing forward, in the vague way the minister did today, the possibility of a plan along the lines of the United States social security system, but that when the Leader of the Opposition announced the Liberal party's plan the Minister of National Health and Welfare, or the Prime Minister, or these two hon. gentlemen jointly, or perhaps the cabinet as a whole, decided for reasons apart altogether from what was desirable to do that some other device had better be found because they had been anticipated in this particular by the Leader of the Opposition.

In any event the committee will recall the debate that took place in this house on March 24, 1961 in which there was an exchange among various members of the ministry, the Leader of the Opposition and myself. I should like to put on record what I said as reported at page 3323, volume 3 of *Hansard* of March 24, 1961. Among other things I said:

> I think that for the Prime Minister and this government to play with the old people of our country in this way indicates the real concern the government has for their plight, particularly when we bear in mind what the Prime Minister said on February 12, 1958. This is what the present Prime Minister said, as reported in the *Globe and Mail* of February 13, 1958.

Here is the report of the Prime Minister's statement of that date:

> —Mr. Diefenbaker took his social security program one significant step further. Until now he has promised only a study of the U.S. social security system.

Mr. Diefenbaker: What is the hon. gentleman quoting from?

Mr. Martin (Essex East): The *Globe and Mail* report of February 13, 1958. This is what the Prime Minister said.

Mr. Diefenbaker: Where was that statement made?

Mr. Martin (Essex East): I do not know where it was made. Does the Prime Minister disbelieve the *Globe and Mail*? I am sure the hon. gentleman would not question that source. Of course the Prime Minister believes the press is servile. Quite possibly someone else caused them to put this in. However, I am quoting from this excerpt in *Hansard*:

> Tonight, he pledged—

The report does not indicate that the Prime Minister said he would study the question. It refers to the fact that he made this pledge. I continue:

> Tonight, he pledged: "We will bring about in Canada a rounded and effective contributory social security plan over and above—and I emphasize this—that which already exists".
>
> Such a plan would provide Canadians with social security payments in addition to the $55 now paid under the old age pension plan.
>
> Referring to the report his government has ordered, he said he had asked that it be made within the next few months so the government would be in a position to have parliament consider the expanded plan.

That speech was made in 1958.

Mr. Pickersgill: It was made in Winnipeg.

Mr. Martin (Essex East): My friend the hon. member for Bonavista-Twillingate says the speech was made in Winnipeg. I have no doubt Mr. Chairman, nor have you that if the *Globe and Mail* says that the Prime Minister said such and such, we must accept the *Globe and Mail's* statement as truly reflecting what the Prime Minister did in fact say. In any event, that is the way I accept the news columns of the *Globe and Mail*. I do not believe we have a servile press in Canada.

I went on to say:

> That was during the course of an election campaign. The Prime Minister led the people of Canada to believe that if they elected this government we would have in this country a system of old age security based upon and similar to the contributory system existing in the United States.

Mr. Diefenbaker: Is the hon. gentleman now quoting from his own speech?

Mr. Martin (Essex East): Yes, quite.

Mr. Diefenbaker: Oh, well.

Mr. Martin (Essex East): I have already indicated that. I have found my speeches are often more quotable than those of the Prime Minister. But just so the hon. gentleman will understand the significance of what I did say, I will read it again.

> That was during the course of an election campaign. The Prime Minister led the people of Canada to believe that if they elected this government we would have in this country a system of old age security based upon and similar to the contributory system existing in the United States. That is what those words imply.

The Minister of National Revenue further along interjected "nonsense". He was referring to something someone else said, I presume.

Mr. Diefenbaker: Don't be so modest.

Mr. Martin (Essex East): But following that interjection I went on to say:

> Where is the Minister of National Health and Welfare? Why is he not here now to tell us exactly the results of the study that has been made with regard to this problem and this program that was projected before the Canadian people in the last federal election campaign?

The hon. member for Bonavista-Twillingate, whose observations are so apt, observed that it was just an election promise.

Mr. Pickersgill: That is exactly what it was, an election promise, now being made for the next election.

Mr. Martin (Essex East): Yes, as my hon. friend says, it was an election promise. The Prime Minister told the Canadian people that a study was being made of the United States social security system not merely for the purpose of having a study prepared but for the purpose of implementing a similar program. Four years later, what do we have from the Minister of National Health and Welfare? We have this inadequate increase, supported by all hon. members, and a vague assurance that in the distant future—

Mr. Pickersgill: After the next election.

Mr. Martin (Essex East): —we may expect some progress with regard to a plan that has now been put forward, in its essentials, by the Leader of the Opposition speaking on behalf of the Liberal party.

Mr. Starr: The Liberals have no intention of implementing such a program. It is merely an election promise.

Mr. Pickersgill: Hon. gentlemen opposite should not talk about election promises.

Mr. Martin (Essex East): What is the government doing in the statement we have had from the minister today? Four years have elapsed. In July the minister acknowledged that the report had been studied. No one can be convinced that my amiable, intelligent and studious friend, the Minister of National Health and Welfare, had not studied that report long before July of this year. Of course it had been studied. The Minister of Finance studied this report, as did the Minister of National Health and Welfare. The study made by the Minister of Finance was made at a time when relations between him and the Prime Minister were such that they could discuss these things. I am sure they both discussed the financial and other implications of this plan long before July but now, for some reason or another, the government is reneging on its promise.

Mr. Monteith (Perth): Not at all.

Mr. Martin (Essex East): The minister says not at all, but I say that is exactly what he and the government have done. In support of my statement I produce the words of the Prime Minister when he said, "We will introduce such a plan". "All my life," he said in his speeches, "I have been convinced of the desirability of our adopting the United States social security system". That is what he told the Canadian people in Windsor, in Oshawa and elsewhere where such an observation would commend itself to these sections of the Canadian electorate. What do we find now? We find that the government does not have such a plan to place before the Canadian people.

I say the reasons advanced by the minister do not stand up. If it was necessary to get a further admendment to section 94A of the British North America Act, following the amendment of 1951, why has the government waited all this time? The government had this report of Professor Clark a year after January, 1958. The government must be presumed to have studied that report. If it was still of the view that we should have a social security system similar to that of the United States, the government in 1959 should have proposed a constitutional amendment and indicated that it proposed to discuss such an amendment with the provinces. If that had been done we would now have in existence the very scheme which in 1958 the Prime Minister told the Canadian people he was going to see was made available to Canadians.

Mr. Pickersgill: Promises.

Mr. Martin (Essex East): It is another promise. Not only is it a promise unfulfilled, but no step has been taken to meet with the provinces. No step has been taken to obtain the necessary constitutional amendment, if such a step is necessary according to the law

officers of the crown. This I believe not to be the case altogether apart from the question of portability.

In our plan we propose not only a direct contributory pension on the basis of a national minimum of $75 to an individual but as well to a survivor and to his dependants. We also provide disability benefits. We also provide for portability of pensions.

Mr. Starr: It is only an election promise.

Mr. Martin (Essex East): With regard to portability we recognize the fact that there is a constitutional difficulty. However, with regard to the plan as a whole there is no difficulty whatsoever. I propose to deal with that aspect of the problem now.

Today we were denied by the Prime Minister the opportunity of looking at the replies to letters he wrote to the provincial premiers on January 17 last. I do not know how the Prime Minister can justify refusing to table this correspondence when this particular debate is under way, particularly when he has this correspondence and when apparently there is no objection from the provinces to the tabling of these letters. I do not know what excuse he will offer for denying to us in this house, when we are discussing this particular matter, letters that have such a bearing on the suggestion of the Minister of National Health and Welfare to the effect that before we could proceed with a plan to provide a simple pension on a contributory basis to individuals, to survivors, to dependants and to those who are disabled, or why we should be denied the opportunity of assessing the government's position with regard to the constitutionality of this matter. I say that the proposal to amend the constitution in order to provide for contributory pensions is an obvious ruse designed to conceal the government's neglect of this vital issue for almost five years. It is obviously a half-hearted attempt to answer the Liberal party's positive program of contributory pensions. By hiding behind the constitutional smokescreen the government will try to conceal its poverty of ideas, its failure to develop a responsible proposal, and to explain its almost five years of inaction.

Mr. Pallett: Will the hon. member permit a question?

Mr. Martin (Essex East): If a constitutional amendment is necessary, why the delay in making it? If the government seriously intended to provide for a contributory pension scheme, a constitutional change could easily have been made and the plan put into effect during the last four years. The proposal to amend the constitution now is, I suggest, a mere pre-election gimmick. It is something that the Prime Minister and others will use on the hustings in order to say, "Oh, we want to do this". Of course, he will not say that he promised to do this five years ago. He will say, "We want to do this and we are going to do it but we must respect the constitution. We must respect provincial rights. We must have a conference with the provinces." Of course, if there is any violation of the constitution, or if there is any violation of provincial rights, these must be respected. But what I am saying first of all is that the constitution allows this to be done; and in the second place, if the constitution were otherwise, hon. gentlemen opposite should have acted four years ago and should not have waited until just before the eve of dissolution of parliament.

Mr. Diefenbaker: The people will remember the six buck boys.

Mr. Martin (Essex East): The Prime Minister is getting angry. Let me tell the Prime Minister that anger never satisfies in debate. I say to the Prime Minister that when he looks at us, he is looking at a group of men who put on the statute books of this country, to use his own language, the most all-round system of social welfare and we did it not in a cheap political way, as the Prime Minister is doing. We did it on the basis of a responsible approach to this problem.

There can be no valid complaint against legitimate concern by any one not to interfere with the constitutional rights of the provinces. But this suggestion of a constitutional amendment is not made out of regard for the safeguarding of provincial rights. It is made only as a gesture or excuse for the government's inaction. Only because the government has been confronted with an imaginative plan put forward by the Liberal party do we now find the Prime Minister, through the Minister of National Health and Welfare, resorting to the courts or resorting to the constitution as though it were necessary to justify this inaction.

Mr. Diefenbaker: Who is resorting to the courts?

Mr. Martin (Essex East): I believe that the federal parliament at the present time has authority to provide a contributory pension scheme. I also believe that it would have been more in the public interest to start such a scheme immediately, knowing that if certain details at a later stage required joint action, the co-operation of the provinces could have been expected in support of such a widely accepted proposal.

Mr. Pallett: What is the hon. member reading from?

Mr. Martin (Essex East): To my mind the existing amendment 94A which gives to this parliament power to legislate with relation to old age pensions, embraces all the ordinary incidents of such schemes and gives this government now the power at large to proceed, if it will do so. Members of the House of Commons cannot predict how the courts will interpret legislation which is not yet drafted and which, as this government's record indicates, is not likely even to have been thought of. Here is the amendment 94A. I remember it because I had a great deal to do with it. Section 94A reads as follows:

> It is hereby declared that the parliament of Canada may from time to time make laws in relation to old age pensions in Canada but no law made by the parliament of Canada in relation to old age pensions shall affect the operation of any law present or future of a provincial legislature in relation to old age pensions.

I believe that anyone who examines the plan which the Liberal party put forward, and does so in relation to section 94A, will find that it conforms to that amendment. I challenge the government to take any other position. On the basis of the broad language of this amendment there is justification for our opinion that federal legislation could be enacted now. This is also the view of constitutional experts.

Mr. Diefenbaker: Who are they?

Mr. Martin (Essex East): I have had an opportunity of consulting them.

Mr. Diefenbaker: Who are the experts?

Mr. Martin (Essex East): Rather than delay action, we feel that an immediate effort to use the powers of section 94A to the fullest possible extent should be made and we are confident that if supplementary co-operative action from the provinces may be later required, such co-operation will be forthcoming in the best traditions of the Canadian confederation.

The minister spoke of old age assistance. He spoke of blindness allowances. Of course, with regard to those programs in which the provinces share financially, we are not concerned in so far as the constitutional aspect is concerned. Those are programs that stand on their own feet. We are talking about the proposal to provide for a contributory old age pension scheme, based upon the pattern in the United States, which will provide a minimum national pension of $75 and which during the period of the building of the fund, or during the period of maturity, will provide for larger benefits along the lines of those received in the United States and in some other countries.

With regard to the argument adduced by the Minister of National Health and Welfare that there is a constitutional impediment to that scheme, I say to the minister that his argument is an affront to the Canadian people when a government, after four years of talk and delay, now attempts to avoid responsibility for implementing a contributory pension scheme by the raising of constitutional issues. If these issues exist, they should have been considered and disposed of a long time ago. To raise them now is an obvious indication of a lack of purpose on the part of this government. Four years have been wasted and as long as the present government remains in office it is clear that many more years will pass before any more effective action is taken to create a national contributory scheme.

Mr. Lambert: What radio address is that from?

Mr. Martin (Essex East): That is a carefully considered legal opinion which I suspect my hon. friend from Edmonton West may find it difficult to comprehend. I ask the Prime Minister right now: Does he take the position that the plan which has been put forward in this suggestive way by the Minister of National Health and Welfare with regard to what might be done in the long future regarding survivors' pensions, with regard to pensions to individuals through a contributory plan, providing as well for dependants and for qualification on disability, cannot be put into effect now? Does the Prime Minister say these things cannot be done now under section 94A?

Mr. Diefenbaker: I do, and that is the legal opinion.

Mr. Martin (Essex East): All right. The Prime Minister says that is the legal opinion. Why did he not get that opinion in 1958? Why did he not get it in 1959 so that he would not be coming into this house today and offering that as an excuse for not proceeding with something which he told the people of Canada in 1958 he was going to do? That is my answer to the Prime Minister. The Prime Minister makes this promise and tells the Canadian people, "We are going to bring in an old age security system based on that of the United States. Make no mistake about it. I am having a study made." That was during the election of 1958. Yet, four years later, the Prime Minister of this country tells one hon. member that we cannot proceed with the proposed contributory plan because it is against the constitution, when he had four years to call the provinces together, four years to work out an amendment which the law officers in their judgment would regard as satisfactory and which would provide for

the implementation in law of the kind of plan the leader of the Liberal party has put forward at this time.

No defence by the Prime Minister in this regard, in the light of the answer he has just given, will satisfy or convince the Canadian people that he was engaging in anything other than political tactics and political promises, with no intention of implementing them, when he said in Winnipeg, "Not only am I studying it but I am going to see to it that we have a social security system in this country based upon the United States system." The Prime Minister stands condemned by his own admission when he says now that this cannot be done under section 94A and that he has just learned this now. I say to the Prime Minister again, do you think you are going to satisfy the industrial workers of this country? Do you think you are going to satisfy the many thousands of individuals in this country who are wondering about a means to provide for their security during periods of retirement simply by saying that after four years you have suddenly learned that this parliament does not have the constitutional competence to enact a measure that will not violate the Canadian constitution?

What did we do in 1950 when we brought in the universal pension scheme, a scheme that was supported by the Minister of Finance and by the leader of the socialist party at that time? What did we do? We called the provinces together. We told them the kind of bill we were going to bring forward. There were no vague studies such as the Prime Minister has put before the provinces. We said, "We want to do this and we believe that this kind of amendment is necessary". We got the co-operation of all the provinces. We did not wait until the eve of an election. We came into the house with our measure in the fall of 1950, a few months after the all-party committee had decided upon the course which the government of the day adopted in the establishment of a universal old age security system. I suggest that the reason why the government has not gone ahead with this measure and is not taking steps to have the constitution amended in consultation with the provinces is that the Minister of Finance does not agree with a contributory scheme.

Mr. Pickersgill: The uncrowned king.

Mr. Martin (Essex East): I hold in my hands proof of the position that he takes in this regard. In 1950 we had an all-party committee which carefully examined the whole question of old age security in Canada, a committee which recommended the elimination of the means test, which agreed on the basic amount of old age pension, one that would be paid to everyone in Canada at age 70. The committee considered a number of alternatives to the present universal system.

I have here the report of that committee and in paragraph 43 on page 107 it is indicated that the committee was against the adoption in Canada of a system similar to the old age security system of the United States. That was the view of the all-party committee, the view of the Minister of Finance, the view of the then member for Winnipeg North Centre, and a view which was respected by the government of that time in the legislation it brought forward.

On October 25, 1951, the Minister of Finance spoke about this business of contribution, and all the way through his speech he expressed the view, and I am sure he was sincere, that he for one did not believe that it was desirable to embark upon a system such as that of the United States. Has the Minister of Finance changed in that regard?

An hon. Member: What is the reference?

Mr. Martin (Essex East): Page 392 and following of *Hansard*, volume 1, session of 1951. Has the Minister of Finance changed? Is he the reason why the government, after it received the Clark report, did not come forward with a program and policy based on that report consistent with the assurances and promises given by the Prime Minister? Is that the reason? If that is the reason, it is a reason that one would accept. But surely the Minister of National Health and Welfare should give the house some reason other than the tame one that the constitution stands in the way and in consequence we have got to consult the provinces. Of course in any matter concerning the provinces we should consult them. That is clear. But the provinces did give us an amendment in section 94A and that amendment, in the opinion of responsible legal personalities—

Mr. Walker: Who are they?

Mr. Martin (Essex East): —is one that suggests that that section clearly lends itself to the interpretation I have made. There may be a contra argument. If the law officers take another position, that is understandable. One would want to know all the circumstances under which that opinion was given. I would want to know if that was the opinion of the law officers of the Department of National Health and Welfare. I should like to know that distinction has been made between the opinion by the law officers of the crown now and the opinion given with regard to this matter when the whole question was before a parliamentary committee in 1950. It is easy to stand behind an opinion given by the law officers of the crown, an opinion that is not

exposed to this house. It is easy in the dying days of a session to say that there is no time. It is easy to say that we must consult the provinces. It is easy to produce a red herring and say that these are steps which must be undertaken before we can do something that we promised in 1958, and in connection with which we had the opportunity of doing something three years ago.

The scheme we have put forward, Mr. Chairman, is a responsible one. It is one that takes into account the needs of the Canadian people. We cannot go on forever, political party after political party trying to outdo the other in what we can offer the older people of our country. It is not a dignified proceeding and it is one of which the Canadian people are growing tired. This scheme of ours will resolve that problem. As the hon. member for York-Humber has just indicated, this proposal of a contributory scheme will, more than any other means, be the way in which to discourage this needless and undignified auctioneering which has attended certain political parties in this country after the present Liberal party had established the basic character of our social welfare legislation.

The Deputy Chairman: I am sorry to interrupt the hon. member, but his time has expired.

Mr. Broome: Would the hon. member permit a question? Would he give the correct definition of the word "scheme"?

Mr. Martin (Essex East): If the hon. member has in mind what I think he has, I suggest he should talk to the Prime Minister.

(Translation):

Mr. Bissonnette: Mr. Chairman, it is a pleasant duty for me to transmit to the government and to the Minister of National Health and Welfare (Mr. Monteith) the message of thanks and congratulations entrusted to me by the old people I visited during the week end.

Since the speech from the throne, these old people are fully satisfied. They would be very sad to hear today the speech that has just been delivered by a great politician, a clever politician—

Mr. Pigeon: A showman.

Mr. Bissonnette: They would be justified, of course, in reminding him of certain things that they recalled for me.

I have always been interested in old people. I have always taken special care to treat them well, and I can assure you that it was difficult at times to look after them, with no means at our disposal to relieve them. That was in the dark days when we were at the mercy of the government, of the party which has just recently turned socialist.

The speech from the throne was hardly over than our opponents became panicky and convened at the Chateau Laurier, I am told, to examine the conclusions drawn at their last convention which was held last year. Their purpose was to prepare a new election platform because they felt that an election was forthcoming. They know nothing about it but they expect they will have to face an election, and they must overbid the other parties to be prepared for such an event.

That is why the hon. member for Bonavista-Twillingate (Mr. Pickersgill) offered us two flags, one for Sundays and one for weekdays, one for French Canadians and one for English speaking Canadians. I even heard that he had a third one to offer, the socialist red flag of the Liberal party.

Mr. Pickersgill: Yes, that is true.

Mr. Pigeon: To my mind, even the two suggested by the hon. member for Bonavista-Twillingate are too much.

Mr. Bissonnette: You will remember what my hon. friend from Essex East (Mr. Martin) whom I hold in great esteem and who honoured me with his confidence, said a few a moments ago. I shall remind him once more that he is a great artist, a very good comedian. If he had missed the chance of using his talent in politics, he certainly would have found other marvellous opportunities of shining on the rostrum and on the stage.

Social legislation was introduced under a Liberal government, 25 or 30 years ago, that is true. It is also true that the Liberal party presented our older citizens, those who suffer, those who are unemployed, with what in literature is called the torment of Tantalus.

As anyone who recalls that story will know, those meant to suffer had some drops of water coming just up to their lips without ever being able to moisten their mouths nor their tongues. That is what our older citizens had to suffer for many years. During the 22 years of their rule and administration, the Liberals doled out social welfare in driblets as in the case of Tantalus, so much so that when we came into power we had to set things in order.

The old age pension, since we are dealing with the old age security act, was immediately brought up to $55 a month. This was

already quite an improvement over the generosity of our hon. friends opposite.

Today, a bill is being submitted to give $10 more per month to our senior citizens, and this is found inadequate.

Mr. Martin (Essex East): That is right.

Mr. Bissonnette: You want them to have $75 per month. Suddenly, you are inclined to be generous. But the people will not fall for such lavishness, because they know it is not sincere.

Mr. Martin (Essex East): Just give us a chance.

Mr. Bissonnette: The people will not accept it because they were the victims of your kind of economy for 22 years.

For 22 years, representations were made to you to ask you to help the aged and the unemployed, but you paid no attention. And now, because the party in power directs its attention toward human plight just as we, doctors, do, you stand and object in this parliament. You stand and object before the whole people of Canada who will keep your attitude in mind, make no mistake about that. I am telling you—

Mr. Pigeon: Another 25 years in opposition.

Mr. Bissonnette: Yes, because the hon. members of the official opposition will not accept the verdict of the people against them. I would say that a punishment for a period of four years is not sufficient for hon. members seriously to reflect on their past conduct.

The objectives of this measure augur well for the future of this country.

Once again, Mr. Chairman, I thank the Minister of National Health and Welfare for introducing this measure which I am glad to support.

(Text):

The Deputy Chairman: Order; it being five o'clock it is my duty to leave the chair in order that the house may proceed to the consideration of private members' business pursuant to section 3 of standing order 15.

Progress reported.

CANADIAN CENTENNIAL

VANCOUVER—REQUEST FOR GRANT TO CONSTRUCT COLISEUM

Mr. J. R. Taylor (Vancouver-Burrard) moved:

That in the opinion of this house the government should consider the advisability of a matching centennial grant of a sufficient amount for the construction of a coliseum with at least 14,000 seats in Vancouver to better serve British Columbia as an international trade, convention, tourist and business centre.

He said: Mr. Speaker, I welcome the opportunity of addressing the house on this resolution, which undoubtedly will be of substantial interest in Vancouver and in my home province of British Columbia. My own thoughts in connection with a proposed coliseum building are contained in two editorials which appeared in the Ottawa newspapers, one in the *Journal* and the other in the *Citizen*, about a year ago. One editorial said this:

The purpose of special buildings for the centenary is to leave behind a heritage for future generations that the community might not otherwise have. An auditorium and concert hall should be built in Ottawa, so that centenary observances could be held in adequate quarters. Other cities could also use such facilities.

The other editorial said Canada should:

—"plan ahead to get internationally important conventions and meetings held in Canada in 1967. For an event of such magnitude, farsighted, vigorous planning is essential. Government, business, cultural organizations—all must work in close co-operation and harmony. Canada should bring the world to her door in 1967. We must start to plan NOW."

In that regard I feel that the citizens of Vancouver are anxious to plan now in order to properly celebrate the centennial in 1967. The type of building that I have in mind in part is somewhat like Maple Leaf gardens. Whenever I am in Toronto on Saturday night it is a pleasure to witness the opening ceremonies in that building. It is my hope that some day all young Canadians will have the opportunity of being there during the start of a hockey game, when the house lights are turned down, the military band is there and the flag is flying in the breeze. It is a very emotional sight and I hope that in due course we will have that kind of building in order that we may experience in British Columbia that which a visitor to Toronto can experience.

The hon. member for Vancouver East (Mr. Winch) will remember that before the arena fire in 1934 we had a coliseum seating some 10,000 persons which served us very well in those early years. Ever since we have been talking about a larger coliseum in which to handle all the national and international events that we plan for our area. No building in western Canada has received so much publicity and so much comment, good, bad or indifferent. No proposed building has given so much cause for despair and so much cause for hope. The building, or lack of it, has been a major civic issue for a generation. It has defeated mayors and elected councils. It has caused a rash of political promises. The building has been an issue at every level of government in British Columbia and most certainly it has attracted the favourable or

unfavourable attention of many federal government departments here for over a quarter of a century.

Vancouver, Canada's third largest city, needs a large coliseum. We cannot all agree on its exact size, but we all agree that we at least need something larger than we have at the present time. Everyone concedes the fact that we need a place in which to celebrate. The Prime Minister (Mr. Diefenbaker) and other federal cabinet ministers who have been on the west coast and have spoken in the present building know what it is like. It has often been described as a cold and drafty igloo. In saying this I am not criticizing those who at present operate the Vancouver forum. I think all hon. members from British Columbia will agree that the Pacific National exhibition directors have tried hard with the equipment and buildings at their disposal.

Ministers, past or present, who have visited the west coast will know that it is no building in which to host the major events of the day. They will know that the citizens of western Canada will never be inspired by national or international programs in a building of this kind. Last summer we witnessed the Red Army chorus in the Vancouver forum while the citizens sweltered in the heat of the building. Then later on Harry Belafonte and Miriam Makiba entertained us there to capacity crowds under most adverse conditions. Entertainers who visit us there hope we will have a much better building. They know that the citizens of western Canada will never be inspired by that type of building and the present conditions. This spells out the need for action in city, provincial and federal planning. Vancouver is far removed from other large Canadian coliseums, and there is thus an unhealthy concentration of national events in the populated centres of the east.

Empire stadium in Vancouver, I am sure, has done much for Canada and has contributed greatly to national unity. That stadium and the competition for the Grey cup have done more for the morale of the people of this country than any other single event. When the Grey cup game was played in Vancouver it attracted a larger audience of Canadians than any other single event. It is good once in a while for people in the east to look to the west for an event such as this. Possibly all too often we have occasion to look to the east for these major spectacles.

A new coliseum in Vancouver, a matching piece to the Empire stadium, could make an almost equal contribution. You cannot build a nation by staging all the big events in the east, and we all look forward to seeing national events, whether they be figure skating finals, hockey or lacrosse finals, again in the west. At the present time we have not the facilities for staging such events.

As I have mentioned, we cannot build a nation by staging all the big events in the east. Vancouver can do for Canada what Los Angeles has done for the United States. We need a coliseum in which to trumpet our glories. We in the west want to see, at least once in a while, our national and international sports stars, entertainers and political leaders come into Vancouver and speak or entertain us under favourable, and not unfavourable conditions. We would like to see our champions in action. The feel of the champion as reflected in the citizen pays off nationally as well as individually.

The tourist trade is very important to us in Vancouver and if we are to keep pace with rugged, if not murderous competition from other cities in the western United States we must have a convention type coliseum. Seattle, Washington, with the hosting of a world's fair there, will give us keen competition in that area. San Francisco has adequate convention facilities, as has Los Angeles, and Portland is now becoming a real competitor in our area.

I should like to point out that in Seattle, a city of almost equal size to Vancouver, the United States federal government has appropriated $9 million for the planners of the Seattle world's fair. I should also like to point out that in the Toronto area—this was mentioned in a press report—625 conventions bring $96.5 million in cash into that city. We in our area would like to feel we can do more to attract other conventions, particularly from the Pacific northwest.

With reference to the tourist industry, the following was mentioned in an address by the Minister of Northern Affairs and National Resources (Mr. Dinsdale) when referring to that industry:

> Only wheat and newsprint bring in more money from outside Canada than do visitors. Only newsprint brings in more money from the United States than does the visitor industry . . . Tourism means much to Canada, but it could mean a great deal more if the tourist industry were more adequately equipped to meet competition in the international market.

Then another report, the Ingledow report, has this to say:

> It is not unreasonable to assume, making allowances for available hotel accommodation, that Vancouver with a new coliseum would attract in the order of 30,000 additional convention delegates annually which would represent over $3,500,000 in increased value to the city.

We must keep pace with present developments or forfeit our tourist dollar. Seattle, Portland, San Francisco and Los Angeles are now equipped with coliseums and there is an urgent need for Vancouver to be assisted

in this respect. Vancouver can no longer be a whistle stop in the travel folder of convention sites.

There is much truth in the verse:

> He who whispers down the well
> About the goods he has to sell,
> Will never reap those golden dollars
> Like he who stands and hollers!

In my opinion, Canada and Vancouver have to stand and holler about the goods they have to sell at this time. There is no question about our need for a coliseum. If we are to reach our manifest destiny, if we are to do the job we should and can do, we need federal help in building our coliseum. Times and events have changed. No longer will just an ordinary arena suffice. If an ordinary arena could serve, then I am sure it could be built by private enterprise. But we need facilities far better than those which private enterprise could now afford. I do not think it would be any longer possible for private enterprise to construct a building such as Maple Leaf gardens in the west today. The tax situation has changed; building costs have gone up and it is now necessary that we call upon the senior levels of government to assist us. The citizens in our area have shown great civic pride but they cannot raise sufficient funds from taxes to build the type of building which is needed. The project will cost some $9 million. The city is prepared to grant the necessary land and amenities to a value of $1.8 million. Should the federal government make a grant—and I suggest it should be $3.5 million—I am confident that local business, insurance companies and private industry, with or without help from the provincial government, could do the rest. In other words, if the senior government would resolve to assist by making a grant of $3.5 million the project could get under way by April, 1963. The project turns on the help that can be given by this house.

Investing federal dollars in a Vancouver coliseum is wise economics. Vancouver is a port city and we could make a good case based on our geographical position as well as on account of our climate and the natural attributes of the city. Vancouver is important as a trading centre and could well claim and support an international Pacific trade fair, which might not be a bad idea when we are considering the centennial celebrations in 1967. From the results of such a trade fair, if we had the necessary coliseum, all Canada would benefit. It was said in a recent address given by the president of the Pacific and Orient Lines:

> Vancouver is one of the major gateway ports of North America's west coast. It will serve a major role in this growth of Pacific travel. It is a role, moreover, that will bring many benefits, but it also will bring many problems.

Then the speaker referred to the steamship lines and said:

> Of the steamship lines, it is interesting to note that Pacific and Orient Lines brought about 10,000 people to Vancouver in 1959, and that some 6,000 people used Vancouver as an embarkation point.

We could use an influx of people as large as this in connection with the type of trade fair to which I have just referred.

In asking for a grant of $3.5 million, citizens of Vancouver are not unmindful of contributions which have been made by the federal government in other parts of the country. I refer, for example, to an article which appeared in the Vancouver *Sun* dated January 27 in connection with a large building planned for the maritimes. The article says:

> Canada's first major monument to the fathers of confederation will be a cluster of classically simple structures with a crystal memorial hall as centrepiece.

Further on it states:

> The architects estimate the cost of the building complex as $3.77 million.

Then, as we all know, Ottawa, through the National Capital Commission, is to get a fine new auditorium, and reference is made in a report I have here to the fact that it will be part of a centennial grant. Then, again, I notice a report in a Montreal paper that the expenditure of $17,500,000 has been planned in connection with an office building for Canadian National Railways. Again, in connection with centennial grants, the Minister of Northern Affairs and National Resources (Mr. Dinsdale) said this in an address given at Halifax on October 17, 1961:

> Spectacular new developments in our national historic sites and parks are under way. The much improved Halifax Citadel . . . is still highest on the visit list. In Cape Breton, restoration of Fortress Louisbourg will make this famous site of "battles long ago" as widely renowned and visited as befits its pivotal position in North American history. Plans are already afoot to animate Louisbourg as a living museum. Think of the appeal this will have to the touring public.

We have not too many sites of that kind in the west. We have not too many battlefields to commemorate. We have been known as a peaceful race, perhaps until recent times, with regard to provincial-federal affairs. We do not criticize the restoration of the sites in the maritimes, or in the east, but we do ask that consideration be given to the construction of a coliseum of the type to which I have referred in order that we may properly celebrate the centenary. May I also point out that if a grant of the kind to which I have referred were made, among its main beneficiaries would be Trans-Canada Air

Lines, the C.N.R. and the hotel Vancouver, which is in great need of a convention-type coliseum.

There is one practical suggestion that I wish to make before I resume my seat, and it is one which is receiving attention from a prominent architect in Vancouver. It is that the badly needed C.B.C. offices should be placed on the main floor of the proposed building with the coliseum above and storage space beneath and to the rear of the building, the studios to be built above the convention area. The advantage of this plan would be that the C.B.C. could move into modern studios in an area conducive to its operations and close to the two civic theatres now in the neighbourhood. This plan would also give to the coliseum a good tenant, and the C.B.C. would further benefit by being able to use the convention and parking areas when those facilities were not otherwise occupied. Certainly there would be extensive storage facilities available at the rear of the building and below.

I am sorry that all of us in the west have not agreed as to the size the proposed structure in Vancouver should be. I do not feel it would be wise to build a new arena with a seating capacity of less than 14,000. It is noted that the new coliseum in Seattle is to have a capacity of 16,000, and other coliseums on the coast have a capacity in excess of 14,000. Some myopic authorities have suggested a seating capacity of between 8,000 and 10,000. I believe that would be too small. I do not believe that is the trend followed in the construction of similar new coliseums. I am sure hon. members will realize that it is now almost impossible to get a seat on a Saturday night in the stadia in Toronto or Montreal for any national hockey league game. That situation has obtained for approximately ten years.

I cannot believe that those empire builders of sport Mr. Erwin Swangard or Mr. Eric Whitehead both of Vancouver would advocate or plan a coliseum with a sitting capacity of under 14,000. Those two gentlemen and other sportsminded individuals like them have had occasion to visit the east and have experienced difficulty in obtaining seats at existing stadiums.

I trust that favourable consideration will be given to this resolution in order that Vancouver can reach its manifest destiny.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I welcome the opportunity of saying a few words in support of the resolution before us. This is one occasion when you will find a united front among all hon. members from British Columbia.

Mr. Herridge: And on the coast.

[Mr. Taylor.]

Mr. Winch: Yes, I think it is fair to say that the resolution will receive unanimous support from hon. members from the hinterlands as well. The construction of this building is of particular interest to the citizens of the lower mainland and hon. members representing those areas. We hope it will receive support from hon. members irrespective of their origin and will be given favourable consideration by the government.

I agree with the previous speaker that it was only a few years ago that the construction of a stadium, arena or coliseum would have been undertaken by private enterprise but the situation is changed today. Such structures are now looked upon as providing a public service. Their cost is prohibitive to municipal governments and private enterprise and so co-operation and assistance are required among private enterprise and all levels of government.

I do not wish to repeat what was said by the hon. member for Vancouver-Burrard (Mr. Taylor) but I wish to add to what he said by indicating that I am convinced from my knowledge of the city and its growth that such a structure will prove of benefit not only to local residents but to Canada as a whole. It must be remembered that in addition to being the third largest city in Canada, Vancouver is the population centre of approximately three quarters of a million people. Almost one half of the population of British Columbia resides there. Under the circumstances our request for federal aid in the construction of the building will be understood. We trust it will be regarded as part of the planning for Canada's centennial.

It is well known how much we appreciated the assistance that was forthcoming at the time of the empire games. It is recognized how beneficial the permanent structures have proved to the economy of Vancouver and thus of Canada. Thousands of people from across the land attend games at the empire stadium.

As a result of the construction of this building we will be able to look forward to even greater achievements in Vancouver in the future. In my opinion the project is necessary and worth while. I am pleased that the planning is in the early stages and I trust the required assistance will be forthcoming so that we on the Pacific coast will be able to contribute to the celebration of Canada's birthday. The existence of the coliseum will provide recreation for those visiting Vancouver and will make a contribution to the economy of Canada.

If I were to say more I would be repeating what has already been said. I conclude by saying I hope the government and all

hon. members will give favourable consideration to granting the request contained in the language of the resolution.

Mr. E. J. Broome (Vancouver South): Mr. Speaker, in rising to support the motion of the hon. member for Vancouver-Burrard, I express agreement with the statement made by the hon. member for Vancouver East (Mr. Winch) to the effect that when something is for the good of British Columbia you will find all British Columbia members in favour of it. We are as one. This is also true of the proposed downtown coliseum.

We have a happy situation in British Columbia. The city of Vancouver is thought of as belonging to all the people of the province. Vancouver is a source of pride to all British Columbians. I am sure that all British Columbians and all hon. members of this house from that province support this resolution. This situation is different from that obtaining in Ontario, for instance, where one often hears unfriendly references made to Toronto, the leading city.

The private members hour provides an opportunity for hon. members to bring their views before the house. Although this resolution is of particular interest to British Columbia I shall attempt to indicate that the thought behind the resolution has an overall national implication.

I do not intend at this time to discuss the seating capacity or the details of the cost sharing arrangements in relation to the coliseum. What we require to determine is the principle that a project of this nature is something that cannot be undertaken solely by private enterprise or a municipal government. A coliseum represents a public service serving more than the locality involved and the cost is too prohibitive to make it a fair, reasonable or even a possible undertaking for a local government or private enterprise. There must be participation by all levels of government and by private industry as well.

Mayor Alsbury of Vancouver commissioned a leading Vancouver engineering firm to make a comprehensive survey and make recommendations with respect to the construction of a coliseum in downtown Vancouver. A citizens committee was also appointed by the mayor to study means of financing the project. The committee of the Vancouver board of trade set up to study the question last week released a preliminary report on the subject advocating a downtown coliseum with 8,000 permanent seats and provision for up to 4,000 temporary seats. Of course, the size will determine the cost but we are concerned with the principle of sharing of costs.

Request Grant for Vancouver Coliseum

Throughout Vancouver there has been widespread interest in and support for a downtown coliseum. This interest has been persistent over a decade. As to the amount suggested, I should like to read from the report of the engineering firm commissioned by the city. They had gone into the matter in detail with regard to the present facilities provided by the city in the form of the Queen Elizabeth theatre. In this complex of buildings there is one room in which 2,800 people can be seated. There is a little theatre adjacent to it and there is a restaurant. As found at page 2 of their report they state as follows:

> Needed also is a convention centre. Vancouver has many attributes of a great convention city. It is scenic, has a pleasant climate and is strategically located with respect to all major transportation systems. Further it is well supplied with good hotel accommodation and restaurant facilities. However, to be successful in attracting conventions in significant numbers the city needs a centre to provide exhibition space, meeting room accommodation and banquet facilities of the type that cannot be provided in individual hotels.

Vancouver has already invested in land and the Queen Elizabeth theatre complex of buildings approximately $8 million. Further land acquisition and replacement of a fire hall will cost the city another $1,200,000. The feasibility report suggests that the remaining costs of building a coliseum should be shared equally between private industry, the province of British Columbia and the federal government. According to this report that would mean that the amount required from the federal government would be approximately $3 million.

The value of such a downtown coliseum to the city of Vanvouver is self-evident. The value of this coliseum to the province is also self-evident. But what of the national aspect? Why should the federal government contribute to a project such as this one? I have already pointed out that such a project is not feasible without federal participation. The motion of the hon. member is keyed into a grant because of our centenary. However, I should like to suggest that this grant would be good business in any year because of the foreign spending in Canada this convention centre will induce and the new business it will create.

Last year we spent $855,000 on the exhibitions branch of the Department of Trade and Commerce and $3¾ million on the trade commissioner service. These and other expenditures have helped to make 1961 a record trade year providing more jobs than ever before in Canada in supplying the goods for our export trade. We had a trade deficit of $576 million in commodities in 1956.

This year we shall have exported more than we bought and our trade will be at an all-time record level.

But what of our balance of payment? I refer to the payments which we are obliged to make in the form of interest payments, dividend payments and remittances for various purposes to other countries. Not the least of the items in our adverse balance of payment picture is the balance with regard to international travel. This year I believe it is estimated that our over-all imbalance of all such payments will be about $1 billion. According to the travel bureau, with regard to travel expenditures for 1960 our imbalance with the United States was $87 million. In 1959 it was $97 million and in 1958 it was $104 million. Therefore in these three years our deficit with the United States with regard to travel was $288 million. When we consider travel expenditures in connection with all countries in the 12 months ended September 30, 1961, we find that we had an over-all deficit of over $185 million. For the years 1959 and 1960, our over-all deficit was the same, namely $207 million.

Now that we have solved our commodity trade problem I believe we must take steps to solve this equally major problem. We must understand that $5 spent in Canada by a tourist is as beneficial as $5 spent in France for $5 worth of Canadian wheat. That is why this proposal has a national aspect. That is why not only this proposal but other major developments such as the development of Garibaldi, developments in Alberta, developments in the maritimes, developments in northern Ontario—all developments which will bring in tourists not only from the United States but from all over the world—will make good business sense in building up this country and will help correct a situation for which I can see no other way of correction, unless by means of arbitrary government control in the way of remittances abroad. Some day this incubus we have on our back will come back to haunt us when and if the flow of foreign capital which helps us to balance these payments is reduced or dries up almost altogether. I therefore say that this is a good business proposal and that this convention centre, complex of buildings, or whatever you may call it, could well be a very large dollar earner for the dominion of Canada. I say that the revenue the government will get from the influx of visitors and from the increase in business could well be considered to be an adequate dividend on the amount of money they are being asked to put up; and after all, this amount is only one third of the cost.

In closing there is one other point which I should like to stress, namely that the city of Vancouver is the major Canadian city on the Canadian west coast. We face the Orient where our greatest potential increase in trade lies. Japan is already our third largest customer. We face south to the fastest growing states in the American union. We also face south past those states to Mexico and South America. We are at the crossroads of world wide transportation systems. We are a logical spot in which to place this lure which will make Vancouver a truly great world convention city.

Mr. Douglas Jung (Vancouver Centre): I have listened, Mr. Speaker, with considerable interest to the remarks of my colleague the hon. member for Vancouver-Burrard (Mr. Taylor), and I must admit that he has made a strong case for the erection of a coliseum in downtown Vancouver. In rising to speak in support of his proposal I should like to bring to the attention of the house certain other matters which might be of interest.

I agree with the hon. member's laudable objective but I think that the proposal should go further. Bearing in mind the hon. member's background and his great interest in sporting matters, we find that he has, of course, emphasized the need for a coliseum. I should like to approach from a slightly different point of view the aspect of international trade which the hon. member covered somewhat in his remarks. We in Vancouver are very proud of the fact that Vancouver is known as Canada's gateway to the Orient. I think it is very important that Vancouver should have something quite substantial and impressive to bear witness to Canada's growing maturity. I should like to see the suggestion put forward by my colleague expanded so that it would not only include a coliseum but would also provide for offices, shopping centres and facilities for trade exhibitions, all located in one central spot which might be called "International centre".

These are my reasons for making such a proposal. Both the hon. member for Vancouver-Burrard (Mr. Taylor) and the hon. member for Vancouver South (Mr. Broome) have dealt with the need to increase trade. At the same time, more and more countries are sending representatives to Canada. We see more and more consulates being opened in Vancouver. From personal knowledge I know of one trade commissioner from a commonwealth country who spent two and a half months in Vancouver looking for suitable accommodation.

Those of us who have visited New York know how impressive Rockefeller centre is. That particular project not only is a great tourist attraction but also is a very busy and much needed business centre. At the present time Vancouver has some very valuable property situated downtown which is used for no other purpose than a parking lot. I can well

foresee that this property could be the location of an international square such as I have suggested and which would include the facilities envisaged by the hon. member for Vancouver-Burrard.

I think it would be a wonderful thing to have a series of buildings erected on a square with a courtyard in the centre, and I do not think anyone would fail to be moved by the sight of the flags of all the different countries waving. In addition, if we had facilities for exhibitions from these various countries located around the perimeter this would not only be tremendously educational but would in my opinion add to the administrative efficiency of the various consulates. I have spoken to a number of architects in Vancouver about this suggestion and they are quite enthusiastic about the possibilities of such a project.

The hon. member for Vancouver-Burrard brought up the point that he would like to see facilities for the C.B.C. located in this coliseum. The C.B.C. is located in my riding and because at the present time their facilities are somewhat scattered I did some research into the problem. The figures I have are quite interesting. I had intended to speak about this matter on another occasion but since my colleague has brought it up I think this is a good time to bring out these facts.

The C.B.C. has different locations for its television and radio studios. It has purchased property since 1953 and it now owns a property located on Georgia street which is 363 feet wide by 131 feet deep, the price it paid being $515,600. It is now eight years since the first purchase was made and a start has not yet been made on the erection of a suitable building. At the same time the C.B.C. has continued to rent premises and it has paid out in rentals and grants in lieu of taxes during the period April 1, 1953, to March 31, 1961, the sum of $591,028.09, an amount greater than was paid for the purchase of the property on Georgia street. If we add the two amounts together we get the sum of $1,106,628.09 paid out between 1953 and 1961. This is a very healthy amount and I suggest it could have gone a very long way toward a grant for the building of a coliseum or a project such as I have suggested.

I have put forward the idea of a plaza or international centre because we already have a large auditorium in Vancouver known as the Queen Elizabeth theatre. However, it does not fulfil the needs of trade exhibitions and, as I say, we have a property which could be used for the building of an international trade centre. My colleague has put forward a very strong case as to the need for a coliseum and, as I have said, he is interested in sporting activities. We join with him in his interest but I think that if such a building were to be erected in downtown Vancouver it would detract from the purposes of a centennial project and, with great deference to my colleague, I believe that an international centre would be a lasting landmark and an equally worth-while contribution to Canada's centennial. I hope that other speakers will support this project because I think it is worth while. I will certainly lend my support to the proposals put forward by the hon. member for Vancouver-Burrard.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I shall be quite brief because I see there is an hon. member from Calgary who wishes to say a few words. I rise to express my support for the principle of the resolution moved by the hon. member for Vancouver-Burrard (Mr. Taylor). I believe that the details as to percentages and so on with respect to centennial grants will have to be left to the future. However, I do wish he had expanded his resolution to include an arts centre located in Trail to serve the Rossland-Trail area because with the coliseum in Vancouver and the building I am suggesting for Trail two large centres of the province would be fairly well served. I might say that Trail has been very fortunate in having almost complete facilities for sports encompassed in the present sports arena.

The Trail and district arts council was formed recently to investigate the possibility of building an arts centre for this area and the council is making a very close study of the situation. I mention this in the hope that I will get some support for this proposal from the sponsors of the resolution now before us.

The purpose in planning an arts centre is to fulfil all the needs of the arts in the Rossland-Trail district and such a centre would serve a population of between 25,000 and 30,000 people. It would provide the necessary facilities to serve the area properly so far as development of the arts and cultural activities is concerned. I should like to mention that the people I represent apparently are not quite so commercially-minded as some of the constituents represented by previous speakers who appear to be looking toward the promotion of trade and other commercial activities as a result of centennial grants. Our people would like the centennial to be celebrated by the promotion of those things that can be best undertaken by public authorities with the assistance of grants from this council, for the promotion of the welfare of the people through the development of cultural activities so that our hundredth anniversary will serve to improve our cultural opportunities.

I am going to take my seat at this time because I wish to leave a few minutes for the hon. member for Calgary South (Mr. Smith) who, I trust, will support us in our representations to the centennial committee for the building of this arts centre which is so necessary in the district I have the honour to represent.

Mr. Arthur Smith (Calgary South): Mr. Speaker, one might hesitate to enter a debate which would do credit to any board meeting of the Vancouver chamber of commerce. At the outset, sir, I want to congratulate the distinguished member for Vancouver-Burrard (Mr. Taylor) who introduced the resolution. I have one or two reservations concerning the limitations of the resolution but certainly not as to the principle.

In introducing the resolution, the hon. member offered as justification for the expenditure, which I believe he suggested would be some $3 million, the possibility of holding a trade fair. This is an excellent idea. He suggested also the possibility of hearing Mr. Belafonte. This would be somewhat dependent upon taste, but I suggest there are also advantages to this suggestion. The hon. member indicated also that the construction of this coliseum would permit us to save some money by locating the C.B.C. studios in the building. I have long advocated this suggestion any any means of saving money in the operation of the C.B.C. is commendable.

Nevertheless, I should like to express my reservation. There seems to be some uncertainty or perhaps difference as to the actual purpose of the proposed structure, and in addition, as to what else might be accomplished in the same area with the expenditure of the same funds. As anyone who has ever lived in British Columbia knows, one would hesitate to oppose anything which might be proposed to improve this wonderful city. My reservation is, are we tying the hands of the centennial administration in advising them, through a resolution, always keeping in mind that the government must be influenced to some extent by the resolution were it to pass? I suggest that perhaps there is a strong inference this is the case. Nevertheless, the very fact that the resolution has been debated will, I think in all seriousness, be a very useful guide to that committee. A large number of members have expressed their views concerning the suggestion that we should construct a coliseum.

This is not a particularly new idea in so far as the commemoration of a major event is concerned. The province from which I come constructed two auditoria on the occasion of their fiftieth jubilee, one in Edmonton and the other in Calgary. These buildings have served a very useful purpose. The moneys were derived basically from oil revenues. I can well recall the premier's introductory address to the legislature when he said that in commemorating the fiftieth anniversary of the province he wanted to be certain something tangible would be left so that the people could look back upon something more than just memories of bugles and drums, bunting and banners. I suggest that these hon. members from Vancouver have the same objective in mind.

I have here, in support of this argument, some of the introductory remarks made by the right hon. Prime Minister (Mr. Diefenbaker) in introducing the resolution to form the centennial committee. He made references to the necessity of developing something of lasting value in commemorating the hundredth anniversary of this country. I think, therefore, we can all subscribe to the principle introduced by the hon. member because he, too, wants to see something more than streamers and bunting for the people to look back to in the years ahead.

Nevertheless, Mr. Speaker, my reservation still stands. Are we to ask the centennial committee to make this expenditure in the one area without anything more than a cursory examination to determine whether or not an expenditure of this type is warranted. As I said at the outset, the very fact that the resolution was introduced does indeed serve a very useful purpose. This is a guide to the way in which we hope, and I underline the word "hope", the committee will take up its work in developing a particular plan for Canada's centennial.

Now, sir, modesty will not prevent my mentioning that there are other areas that I hope the centennial committee will recognize. For example, we want to bring to this country an international event of some importance. I am speaking, of course, of the winter Olympic games which will shortly follow our centennial. I mention this just to illustrate the variety of subject material at which this committee must look in order to make a proper assessment of the best manner in which to commemorate this very important event. The winter Olympic games would be the most outstanding sporting attraction this country would ever see and therefore will require a great deal of money in order to put together the necessary facilities to make this magnificent area of the west a two-season operation rather than limited to the very few summer months.

I believe it is now six o'clock, Mr. Speaker.

Mr. Speaker: The hour for the consideration of private members' business having expired, the house will revert to the business which was interrupted at five o'clock.

OLD AGE SECURITY ACT

AMENDMENT TO INCREASE AMOUNT OF PENSION

The house resumed consideration in committee of the following resolution—Mr. Monteith (Perth)—Mr. Martineau in the chair.

That it is expedient to introduce a measure to amend the Old Age Security Act to increase the amount of monthly pension payable thereunder to $65 per month.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Pickersgill: Mr. Chairman, I had not originally thought it would be necessary for me to take any part in the debate on this resolution, until I discovered that the government had decided that the less they said about what they were doing, the better, and that they preferred instead to have a debate on the Liberal plan which was initiated by the former minister of national health and welfare. It is obvious that the Liberal plan for dealing with this old age pension problem is very much more in the minds of the government than their own effort which is before the committee. That does not surprise me at all, sir; they seem to have had an obsession with the Liberal plan ever since it was proposed.

I think there has been a tendency which some of us have observed since 1957, which is a part of this rewriting of the history of Canada that has been going on since then on the other side of the chamber—

Mr. Bell (Carleton): The hon. gentleman has been doing most of it.

Mr. Pickersgill: The hon. gentleman is going to do a little bit more of it right now and put a little bit of perspective back into this subject.

One would think, to hear the Prime Minister, his ministers and his—I would not like to call them his servile followers because that word is reserved for another place—his supporters talk as though they had initiated the old age pensions and done the only things that had ever been done for the old age pensioners. The one and only thing they ever did, and that was between the two elections, and it was perhaps slightly suspect on that account—

Mr. Monteith (Perth): This is the third thing we are going to do.

Mr. Pickersgill: Oh, yes, the hon. gentleman—

Mr. Monteith (Perth): The third thing in four years, and you did one in six years.

Mr. Pickersgill: The hon. gentleman's party made one small change in the regulation; that is quite true, but that had no general application to the old age pensioners as a whole. The only thing that was done by this government for the old age pensioners as a whole was done between the two elections. They did quite a lot of things between those two elections—

An hon. Member: And they are still doing them.

Mr. Pickersgill: —and the government and the country both came to a complete halt after March 31, 1958.

Some hon. Members: Oh. oh.

An hon. Member: You would like to think so.

Mr. Pickersgill: Indeed most people seem to think, although I have some doubts about it, that we are on the eve of another election, and the government is now starting to spread around another lot of promises, another lot of hopes and one or two things to give a little substance or a little appearance of substance to those hopes that they are holding out.

I think we ought to remember what was the real history of the old age pensions. The old age pensions—

Mr. Pigeon: That is in the past.

Mr. Pickersgill: Yes, in the past, and especially the history of the hon. gentleman's friends with respect to old age pensions in the past.

Mr. Pigeon: Look at the $10 we are giving now. That is better for the people.

Mr. Pickersgill: No doubt the hon. gentleman, with his birdlike approach to this problem, will have an opportunity to put it forward after I have concluded. Meanwhile I should like to go on with my own argument rather than his. The point I am making is that when the old age pensions were initiated in this country, they were initiated by a Liberal government over the bitter opposition of the Tory party led by Mr. Meighen. So bitter was that opposition that there had to be an election.

Mr. McGee: How many flags?

Mr. Pickersgill: I know that hon. gentlemen do not like this. There had to be an election. The hon. gentleman wants to know about flags. The hon. member for Quebec West said I wanted a third flag. He said I want the red flag of the Liberal party, and so do the people

of this country want the red flag of the Liberal party, as hon. gentlemen are going to find out very shortly.

Some hon. Members: Oh, oh.

The Chairman: Order.

Mr. Pigeon: How many? You have had six flags now.

The Chairman: Order. I regret to interrupt the hon. member, but I think if all hon. members would settle down and listen to the words of the hon. gentleman it would facilitate the debate on this resolution.

Mr. Pickersgill: In 1927, when the old age pensions were put on the statute books over the violent opposition of the Tory party, that was just at the time the right hon. gentleman who now heads this government was leaving the Liberal party and joining the Tory party. It was almost at exactly the same time that the Tory party was trying to prevent old age pensions.

An hon. Member: What is your evidence for saying that?

Mr. Pickersgill: I have the evidence right here and I will put it on *Hansard* if the hon. gentleman wants it, although I do not think he will. At any rate, there was a conjuncture of circumstance there that a lot of people have not yet forgotten.Then at the end of the war—

Mr. McGee: Which war?

Mr. Pickersgill: World war II. At the end of that war the Liberal government brought in legislation which doubled the amount of the old age pension from $20 to $40. Then in 1951, as the hon. member for Essex East has pointed out, the means test was abolished and a universal old age pension of $40 was established. As the hon. member for Essex East also pointed out, all parties in this house at that time took part in the committee which recommended that legislation and that $40 a month, so that in 1951 it was the unanimous opinion of this house that $40 was, in those circumstances, the appropriate figure for the universal old age pension. The Minister of Finance, speaking for his party, approved it. Mr. Knowles, speaking for his party, approved it also, and that was the figure which was set by parliament at that time. Six years later the cost of living had risen by 15 per cent and at that point a 15 per cent increase was made in this figure. Everybody in the house approved that being done in 1951.

An hon. Member: Six years and six bucks.

Mr. Pickersgill: Yes, six years and six bucks. Hon. gentlemen opposite said that was not enough and, of course, they were quite right; no figure is enough. We should do for the old age pensioners everything we can afford to do in this country and no figure will ever satisfy us that we are doing as much as we can if there is more we could do.

An hon. Member: How big was your surplus?

The Chairman: There seems to be an unusual amount of interruption by hon. members from their seats and I would ask all hon. members to co-operate so that the hon. member who has the floor may be heard.

Mr. Pickersgill: Hon. gentlemen oposite brought forward a measure, which was universally approved, to add another $9. In other words, hon. gentlemen opposite felt that in the year 1957 the appropriate increase was $15. Compare that increase in 1957 with the increase they are bringing today, an increase of only $10, and hon. members will see the difference between the two positions.

I thought it worth while to send out and get the cost of living index to see what the situation was, and anyone who takes the trouble to examine the cost of living index will see that the $10 increase now being proposed is, in purchasing power, approximately the same as the $6 increase in 1957.

Some hon. Members: Oh.

Mr. Pickersgill: So, if there is any talk about the six buck boys, the six buck boys are now over there.

The Prime Minister thought it was very clever in 1957 to talk about 20 cents a day. Today he is offering the old age pensioners 30 depreciated cents a day—and those cents are being depreciated as fast as the printing presses can grind out money to cover the government's deficits. That is the situation. From an old age pension at the end of the second world war of $20, with a means test, the Liberals removed the means test and far more than doubled the amount. That is the record, and the increases since then must be compared with that record.

An hon. Member: I want to get the record straight—

Mr. Pickersgill: Yes, and I intend to put a little more of the record straight. The Minister of Labour, in an intervention this afternoon, which I thought was very imprudent, described the Liberal plan as an election promise. I just want to remind hon. members, some of the noisier ones—

Mr. Starr: I want to say that I added to that—

Mr. Pickersgill: The minister can add to what he said in his own time and not in mine. I appeal to be allowed to speak and not to be interrupted.

Mr. Starr: I also said you would not carry it out.

The Chairman: I am sure all hon. members realize that there should be no interjections from their seats. If any hon. member has a question to ask he should rise in his place and ask permission to put his question.

Mr. McGee: Would the hon. member permit a question?

Mr. Pickersgill: I will answer any questions at the conclusion of my remarks and I should prefer, because of the limit on my time, not to be interrupted. Besides, what I have to say I should like to say consecutively.

I want to tell the Minister of Labour that I have not forgotten what was said by the Right Hon. Louis St. Laurent sitting in the seat of leader of the opposition in the parliament before this one when he said that every undertaking given by the Liberal government in its 22 years of office had been carried out; and so will this plan be carried out by a new Liberal government. Our program is always drawn up to be carried out and we make the kind of program that can be carried out. We do not go about making promises which we know perfectly well cannot be acted upon.

My hon. friend from Essex East put on the record one of the Prime Minister's references to social security in the 1958 election. He referred to only one of them but I propose to put on record three or four or more to show that this was not just a slip of the tongue on the part of the Prime Minister but a consistent campaign across this country telling people they were going to get the United States contributory system in a modified form right after the 1958 election. He did not tell them that if they voted in the 1962 or 1963 election they might get it; it was going to be after the 1958 election. I know that hon. members will interrupt me the moment I begin reading the Prime Minister's words, because they hate to hear what he said in 1958.

An hon. Member: What are you quoting from?

Mr. Pickersgill: I intend to read a Canadian Press report which appeared in the Montreal *Star* of February 26, 1958 dealing with a speech—

Mr. Bell (Carleton): Is the hon. gentleman reading from an original document? Perhaps he would identify the document from which he is reading.

Mr. Pickersgill: I am reading a Canadian Press report from the Montreal *Star* which was typed out from that newspaper. If the hon. gentleman wishes to go and find out whether this is so or not I suggest he would be more profitably occupied than he is in the house now.

Mr. Bell (Carleton): The hon. gentleman is now reading from a secondary document.

Mr. Pickersgill: I told you, Mr. Chairman, that hon. members would not like to hear what the Prime Minister said. They do not want the public to know what their leader said in 1958. We are not ashamed of what our leaders have said in the past but I do not blame them very much for not wanting to hear about broken promises. However, this is, I hope, a free parliament—

Mr. Bell (Carleton): Will the hon. member answer a simple question?

Mr. Pickersgill: No, I will not answer a question. I want to go on and make my statement.

The Chairman: Has the hon. member a point of order?

Mr. Bell (Carleton): On a point of order; if the hon. gentleman is reading a document I think he has an obligation to parliament to identify the document from which he is reading. The hon. member seems for some reason or another—some strange reason—to be ashamed to identify that document.

Mr. Broome: On the point of order, should the hon. member for Bonavista-Twillingate not table the document he has in his hands now?

The Chairman: I believe the hon. member has already identified the document from which he is reading.

An hon. Member: No, he has not.

Mr. Pickersgill: You see, they do not like to hear the words of their leader. What better evidence of that could there be than the interruptions we have just heard. The report reads:

> Prime Minister Diefenbaker ... has hinted at speedy action to broaden Canada's social security system.
>
> "I believe it will not be very long before we will be in a position to introduce in the new parliament a contributory social security system", he said here last night.

Four years later —

Mr. Fulton: What about the 38 years for hospital insurance?

Mr. Pickersgill: Listen to these words:

Last month he appointed Dr. Robert F. Clark, University of British Columbia economist, to make a study of the United States social security program.

The Prime Minister told his Hull audience of some 850 persons that some features of the American plan would have to be altered before it could be fitted on top of the present Canadian program of $55 monthly pensions paid to all at 70.

He detailed the payments which he said are made under the U.S. plan to those on average incomes: between $88.50 and $98.50 a month for single workers retiring at age 65; $132.80 a month for a husband and wife retiring at age 65; death benefits of $255; disability payments starting at age 50.

He said these payments, made without a means test, are financed wholly by contributions from employers, employees and self-employed. The cost per person was less than the present Canadian plan.

That was in Hull. The Prime Minister also spoke in Edmonton on March 8, 1958, as reported in the Edmonton *Journal* of March 10:

His party, said Mr. Diefenbaker, "is not satisfied social security legislation in this nation is what it should be".

They were not satisfied in 1958 but they have not done anything about it four years later. They now make the excuse that the constitution stands in their way. I continue:

"The Conservatives are studying the American social security scheme," he said, and hope to introduce "an effective and rounded social security plan" which would give Canadians, on retirement at 65, a monthly income about the same as under the U.S. scheme—$88.50 to $98.50 a month.

That was in Edmonton. And then the Prime Minister speaking in Chilliwack on March 11, 1958—

Mr. Broome: Where is that?

Mr. Pickersgill: Chilliwack, I believe, is in British Columbia. The hon. gentleman would not know that, of course.

The plan we propose—

—said the Prime Minister:

—is over and above the present pension payments. There will be no cuts, "nothing of the kind", he emphasized.

This statement is from a newspaper which the Prime Minister loves, the Winnipeg *Free Press* of March 12, 1958. The statement was made the day before in Chilliwack. Hon. members will observe that the statement refers to the "plan we propose" not the "plan we are studying".

And then, at Nanaimo, also in British Columbia, I add for the benefit of the hon. member for Vancouver South, the Prime Minister speaking on March 12, and this is from the Toronto daily *Star* of March 13:

—pledged that in the next parliament—

Note those words "in the next parliament". That is this parliament, not some future parliament.

[Mr. Fulton.]

At Nanaimo he pledged that in the next parliament the Conservatives will introduce—

Not "might" introduce but "will introduce".

—a voluntary contributory old age pension plan over and above the present old age pension plan. It would be, he said, "for everyone in Canada who chooses to belong to it".

The Prime Minister used the words "in this parliament" when speaking in Nanaimo on March 12, 1958.

Mr. Churchill: Are they in quotation marks?

Mr. Pickersgill: Yes, Mr. Chairman. The following words appear in quotation marks:

—for everyone in Canada who chooses to belong to it.

Mr. Drysdale: Mr. Chairman, I rise on a point of order. I regret very much interrupting the hon. member for Bonavista-Twillingate, yet in a matter of this importance where the hon. member is allegedly depending on primary evidence I think the following question should be raised. The hon. gentleman purports to be quoting from newspaper extracts but it is obvious to all hon. members that he is reading from a book. In order to have compiled a book the statements the hon. member is quoting must have appeared in original form. It is the usual procedure in this committee to take the best primary evidence available which is original newspaper clippings. In the alternative the hon. member should table the document which appears to be a 1958 Liberal production. How do we know that these are authentic statements reflecting what appeared in the press? I think the committee is entitled to have before it the best possible evidence. After all, the hon. member is reading statement after statement.

The Chairman: The hon. member who has the floor has stated that he is reading from a clipping which appeared in a newspaper.

Mr. Monteith (Perth): He is not, though.

The Chairman: In any event, an extract. According to the rules of the house an hon. member who makes a statement does so on his own responsibility. The hon. gentleman in citing whatever he is citing is doing so on his own responsibility. I do not feel there is a valid point of order.

Mr. Drysdale: I would ask the hon. gentleman to table the document from which he is reading if there is any doubt.

The Chairman: Order. The hon. member for Bonavista-Twillingate.

Mr. Pickersgill: Mr. Chairman, I shall not bother to deal with that interruption.

Mr. Drysdale: Just table the document.

Mr. Pickersgill: Oh, I should be delighted to table the document if the rules of the house allowed it.

Mr. Simpson: Go ahead.

Mr. Pickersgill: We know, sir, that under the rules of the house only members of the government are allowed to table documents. If the hon. gentleman would read the rule book he would find that out.

Mr. Fulton: That is nonsense.

Mr. Pickersgill: However, Mr. Chairman, I shall be very glad to send the hon. gentleman a copy of this document so he may have before him what the leader of his party had to say in 1958.

The next statement to which I wish to refer was made in Montreal on March 25, 1958. It begins in the characteristic style that should be only too well known to hon. members opposite. Quoting the Prime Minister, the statement begins, and this appears in quotation marks:

"As long as I am Prime Minister", he said—

Mr. Fulton: That will be a long, long time.

Mr. Monteith (Perth): Longer than the hon. member for Bonavista-Twillingate wishes.

Mr. Pickersgill:

—"our system of social security will receive special attention and there will be no reduction in existing measures".

His audience applauded vigorously when the Prime Minister referred to his party's study of the U.S. social security system and the proposal of its adaptation to Canada.

I have placed those few quotations on the record. To satisfy the curiosity of the hon. member for Burnaby-Richmond I will say they are contained in a compendium made by the Liberal party of the promises of the leader of the Conservative party because we wanted to remember them and we knew that hon. members of the Conservative party wanted to forget them.

Mr. Drysdale: Table the document.

Mr. Pickersgill: I have given plenty of evidence to show that a cast iron promise was made by the Prime Minister. It is another of his broken promises. He promised to bring before this parliament contributory pension legislation.

In all these extracts and any others I have been able to find, not one word is said about the constitutional difficulty that hon. gentlemen opposite have now pulled out of a hat since the Liberal plan was proposed early in January.

We know why this excuse was pulled out of a hat. It is perfectly obvious to everyone that hon. members opposite intended to do absolutely nothing about the Clark report or this plan until the Liberal plan was proposed and then, because they had nothing to propose, they realized they would have to find some excuse for breaking their promises and so they resorted to the constitutional arguments.

Unfortunately for them their bluff was called. Although we are not allowed to see the correspondence in this house one of the provincial premiers had already told them to produce their scheme and then he will consider the question of a constitutional amendment. Of course, they cannot do it because they have no scheme to produce and everyone knows it. This is just another bluff, one of another set of promises for use in the 1962 election. Well, sir, the Liberals will not have to bother publishing the 1962 promises because the Prime Minister will not be in power to do anything about them.

Mr. Monteith (Perth): You hope.

Mr. Pickersgill: I wish to say a word about the question of a constitutional amendment. I do not wish to gild the lily that has already been exposed to the committee by my hon. friend from Essex East but I think perhaps there is one point he made which needs to be emphasized. It may or may not be that every detail and every aspect of a perfect contributory scheme would be constitutional. It might be that we could not have an absolutely perfect scheme that was contributory.

I am very familiar, as the hon. member for Essex East also is, with the reason why section 94A was put in the constitution. I know why it was done, how it was done, why Mr. Duplessis agreed to it and why the government of Quebec of that day agreed to it. It was precisely for the purpose of bringing in a contributory old age pension scheme. That is why it was done.

Mr. Bigg: Why did you not do it then?

Mr. Pickersgill: Someone asks why it was not done. The hon. member for Essex East answered that question this afternoon. It was not done because a parliamentary committee recommended unanimously an old age security scheme without a means test with the support of all hon. members of the house. But that was just one stage. I think the feeling was that we must have a universal basic pension first and a contributory scheme on top of it. That is what the Liberal party is proposing and that is something that could be done now. It could be done in this session of parliament if this government had a scheme and if they had the will to do it. But they have neither. They bring in this inadequate scheme, this 30 cents a day or 30 depreciated cents a day. That is not the way in

which I talk about things like this. I am just imitating the language used by the Prime Minister in 1957. That is the level at which the Prime Minister discussed public affairs in 1957. I am just applying his own high standards of public debate to this matter.

I say that this is an inadequate way in which to deal with this problem. It is not good enough for two reasons. It is not good enough because instead of the fundamental problem being dealt with, the matter is being dealt with on a basis that is going to add considerably to the already monumental budget deficit. It would have been possible, it would have been the honest and straightforward thing to do, and it would have been acting in good faith to bring in the contributory scheme which the Prime Minister promised to bring in in this parliament. That is a promise which has been broken, and it is being broken at the present time under the cheap smoke-screen that some aspects of it—and only some of them—could not be covered by the constitution. Let them bring in all that could be covered by the constitution. Then when they have done that, and when we in this parliament have done everything which we have the power to do, let them then go to the provinces and say, "We can make the scheme a little bit better if we do this here or that there". I anticipate that there would not be much difficulty in getting agreement to make it a little bit better in this way and that way. However, the main thing could be done right now under the powers existing under the constitution as it was amended in 1950. I do not know why hon. gentlemen opposite are not doing it except that they have nothing ready. They have no plan. This matter is like everything else. This government has a total incapacity to get business done and it has toward promises an attitude the like of which has never existed previously in Canada.

Some hon. Members: Oh, oh.

Mr. Pallett: That is quite right. We carry them out.

The Chairman: I regret to interrupt the hon. member but I must inform him that his time has expired. I recognize the hon. member for Grey-Bruce.

Mr. Browne (St. John's West): Perhaps I could ask the hon. member a question.

The Chairman: The hon. member's time has expired. The consent of the committee would be required for him to continue.

Mr. Pickersgill: On a point of order, Mr. Chairman, may I ask whether the hon. member for St. John's West could not ask his question on his own time. He is entitled to speak in this committee.

[Mr. Pickersgill.]

The Chairman: I recognize the hon. member for Grey-Bruce.

Mr. Winkler: Being very much interested in the social welfare legislation this government has presented, Mr. Chairman, it is a pleasure for me to enter this debate briefly this evening. I have had a tremendous number of personal experiences in this field in my own constituency and some of the adjacent ones. In the past, when investigating some of these cases, I have found that when people, through circumstances, were forced to go to the municipality for additional assistance owing to the lack of support from friends, family, or other sources, it was generally in the neighborhood of $10 a month that was required. I know this amendment will alleviate that problem. Certainly the government and the ministers are deserving of our praise and commendation for bringing in this measure. It certainly is a necessary one and it will be appreciated, not depreciated, by the recipients of old age security in this country.

I was interested this afternoon in listening to the hon. member for Essex East set forth his program and again tonight in listening to the hon. member for Bonavista-Twillingate who spoke in support of it. This certainly brings into focus a very peculiar picture at the present time when we consider what these men advocated such a short time ago. Obviously they were responsible to some degree. I was much interested to hear the hon. member for Essex East suggest that no plan had ever before been presented until such time as the Leader of the Opposition mentioned this one early in January before the opening of the house. For the benefit of hon. members of the committee and of the country in general and particularly for the benefit of the hon. member for Essex East, I would refer him to page 6998 of *Hansard* of the 1960-61 session, volume 7. In that volume at that page it will be found that I outlined to the government on the estimates of the Minister of National Health and Welfare a very comprehensive plan differing only in specifics from that which the hon. member for Essex East has now proposed. Let it not be said that this is his plan or his party's plan or that it is their idea. As a matter of fact, I consider it to be political plagiarism for him to bring in this plan in this way, supported by the hon. member for Bonavista-Twillingate, as I have said. This plan did not originate in my mind or in the mind of any one person. Many of us have given it much thought. It was only after consultation and thorough understanding that I presented this plan in the way in which it is laid down in that volume of *Hansard*. I know that in

the not too distant future, following this essential measure, and with the amendment of the constitution there will be additional measures that will bring the contributory scheme into play. There is no doubt about this matter. The efforts of this government are sincere on behalf of the people of the country and I know they will receive the support of constituents across this dominion.

As is most usual the master of political deception—I refer to the hon. member for Essex East—calls current legislation a political tricks by the government. He asserts that his plan is the result of study, preparation and all those other things upon which he can elaborate in his eloquent manner. However, to me the burning question is this. Why is there so much change in the statements he makes? Why are changes from statements made by the Leader of the Opposition supported by him and then changed by him? To me this does not sound as though a great deal of thought had gone into the question, but only that obviously there was a further element of deception for the Canadian voters in the coming election. There is no question of that in my mind.

Such a plan as that which he now advocates could and should have been advocated in 1955, with all the surpluses of the Liberal government of that day. Now he has the audacity to tell this government that this is a political trick. Everyone knew at that time—and they have not forgotten—of the surpluses that existed in 1955 and that the measures that were taken by the Liberal government were such as to hide this money, to keep it tucked away. They did not want to spread inflation, or that is what they said. But they also did not want to let the taxpayer have the right to spend his own money. They kept it hidden. This is no trick. This program presented by the government is on a sound basis, on the basis of necessity at the present time and it will be expanded as time goes on with the contributory clauses that will be required to bring it up to a full and rounded program. Furthermore—

Mr. Martin (Essex East): Will my hon. friend permit me to ask him a question?

Some hon. Members: Oh, oh.

Mr. Winkler: Yes.

Mr. Martin (Essex East): May I ask my hon. friend if he can explain why, in the light of the assurances given by the Prime Minister, a contributory scheme was not brought forward immediately after the Minister of National Health and Welfare and his colleagues had studied the Clark report?

Mr. Winkler: Mr. Chairman, I will be very glad to answer that question. In my opinion, as I said a moment ago, this scheme could have been implemented in 1955. With all the money that was available at that time, that was the right time to institute a contributory plan. The member for Essex East asks me this question. He sat on the treasury benches at that time and he was the man who could and should have instituted it. After 1957 we had to wait to clear up the mess they had made before we could bring in this measure.

Mr. Martin (Essex East): Answer my question.

Mr. Winkler: It was only because of the recession in 1957 that we could not bring in a better measure or a contributory scheme, and I am quite sure that otherwise it would have been done by this government.

Mr. Martin (Essex East): Why did you not do it in 1958.

Mr. Winkler: We are doing it today in my opinion.

Mr. Martin (Essex East): You are not doing it.

Mr. Winkler: I am sure that the hon. member for Essex East as well as the hon. member for Bonavista-Twillingate who supports him know that they were responsible for the recession in 1957 just as we and the rest of the people of this country know it. But the hon. member for Essex East says today that $10 is not enough.

Mr. Martin (Essex East): Hear, hear.

Mr. Winkler: He also says that the promise of $6 by the government of which he was a member in 1957 was not enough. That is a nice statement for him to make now.

Mr. Martin (Essex East): It is an honest statement.

Mr. Winkler: I wonder who he thinks was responsible for that proposal in 1957. Who was minister of national health and welfare in 1957? Maybe he still wants to blame the former minister of finance for that act by that dictatorial government. I don't know.

An hon. Member: You mean six-buck Harris.

Mr. Winkler: Maybe he still wants to blame him for that offer which he says today was not enough. He did an excellent job then of transferring to Mr. Harris in 1957 and again in 1958 a responsibility which should have been his. There is no question about that. To gain his own political objectives, particularly in Ontario, during the Liberal

leadership race, it was probably he who originated the well-known saying that was so firmly affixed to that gentleman at that time—"Six-buck Harris rides again".

Mr. Martin (Essex East): He is going to take care of you in the next election.

Mr. Winkler: Let there be no doubt where that saying originated. Let there be no doubt who was responsible for it. If I understand the situation today correctly, and after all I may be a little closer to it than the hon. member for Essex East, I understand that the gentleman in question is not too interested in affiliating himself with those hopefuls who are speaking like this. Who can blame him when such titles were attached to him by his colleagues who are waiting in the wings for another call?

Some hon. Members: Shame, shame.

Mr. Winkler: I have mentioned these points because of the way in which the hon. member for Essex East has been speaking in retrospect today about what took place in 1957 and I say that he deceived his country at that time. I believe that he even deceived his colleagues. I do not think there is any question about that because if that had not been the case he would have had more power in the Liberal cabinet prior to 1957. If he did have that power then he is responsible for the $6 proposal. There is no question about that at all.

It is also an amazing thing that the proposal was made at the Liberal convention in the Chateau Laurier hotel recently and that since that time we have not heard any support for it from the Leader of the Opposition. We have not even heard him mention it. I wonder why this is so. Is it that he does not support the change in the plan by the hon. member for Essex East? I don't know.

Mr. Martin (Essex East): He announced the plan.

Mr. Drysdale: What about the revision, the Martin plan?

Mr. Winkler: What about the change in thinking?

Mr. Martin (Essex East): We are a team; we are not a dictatorship.

Mr. Winkler: As this legislation comes forward and is about to be put into effect, opposition is being voiced on the floor of the house by members of the Liberal party. They tell us that a $10 increase in old age security is not sufficient. I hope that they have the courage of their twisted convictions to vote against it. I will be happy to see this change. It will certainly show that the change in thinking has been as a result of action by our Conservative government which thinks of the senior citizens of this country.

I was also interested to note that in proposing this plan they only mentioned the highest payments, the maxima. Possibly I have not been in the house long enough and do not realize the usefulness of being able to present a plan and only put before the people the gravy in the deal that is being offered to them. The plan I presented to the house in 1961 was a little more comprehensive. I suggested there the highs and lows based on the facts and figures, as hon. members will note if they care to refer to that address.

Mr. Martin (Essex East): Why did the government not accept it at that time?

Mr. Winkler: The government is accepting it. I said before, Mr. Chairman, and it would appear that I have to reiterate this point, that the logical time to present this plan was in the year 1955. I know that it would have had the support of the whole country and of the members of this party who were in the house at that time.

Mr. Pickersgill: Why did they not put it forward then?

Mr. Winkler: Mr. Chairman, the people of this country are somewhat disgusted with the Liberal party today, and for very obvious reasons. All of their utterances, all of their comments are destructive. Not one is constructive. If they were constructive they would support the government in this proposal and not make a lot of derogatory remarks about the record in the past. I would not have been prompted to speak tonight if it had not been for the words of the hon. member for Essex East, the deportment of his party in the 1957 campaign and the proposals and promises they made at that time. I only need refer to the Windsor *Star* to assure the hon. member for Essex East that that newspaper has assured the people of that area that this government has kept its promises. I might also point out that the *Globe and Mail* had this to say in an editorial on February 1:

> Why are the Liberals, who ignored the project in the days of budget surpluses, so eager to adopt it in a time of deficits?

That is precisely what I was saying before. It has taken all the years since 1957 to get over the catastrophe with which we were faced then and to be in a position to present this measure to the country. I can only say that I agree wholeheartedly with what Mr. Arthur Blakely had to say in his column in the *Gazette* this morning by way of a parody on the Whiffenpoof song. This is a great

description of the Liberal party and the Liberal promises today. I simply quote a few lines:

> We're poor little lambs who have lost their way,
> We're little black sheep who have gone astray,
> We're gentlemen scholars out on a spree,
> Doomed from here to eternity.

The last line is entirely correct. I have followed the Liberal program very closely. I listened to reports about their convention last week at the Chateau Laurier. As I was on my way to my office in the parliament buildings one very cold morning last week I stood in front of the station across the street from the Chateau Laurier hotel. This was the day following the announcement of the pension scheme by the hon. member for Essex East. As I looked across at the Chateau Laurier there were three flagstaffs. Below the centre one there was a big round sign with the words, "Canadian national Liberal association convention", or words to that effect. It was in red letters on a big white sign. Above it was a Canadian ensign on the pole. It was a very cold morning and the breeze was blowing strongly from the east.

Mr. Martin (Essex East): It is blowing tonight too.

Mr. Winkler: It seemed to me that the wind had wrapped the flag around the staff so that the flag appeared to be flying at half staff, and I think for a very good reason. This is precisely the way I think of the proposal of the hon. member for Essex East in respect of that for which he argued and supported in 1957.

Mr. Winch: After listening to the majority of the speeches thus far on the resolution which is now before us, I would almost swear we were already on the campaign hustings because that is certainly how the majority of them sounded to me. I feel certain, Mr. Chairman, that most, if not all of us, feel under an obligation to the professor from Bonavista-Twillingate for the history lesson he gave us on the background on the old age pension legislation. I feel certain it was an oversight, but I was a little bit disappointed that he did not complete the history lesson by reminding us of the reason the Liberals introduced old age pensions.

Mr. Pickersgill: Because they were in the 1919 program, that is why.

Mr. Winch: I will tell you why. Old age pensions were introduced because there was practically a tie vote between the Conservatives and Liberals in the House of Commons. At that time the Liberals were under Mackenzie King, the Tories under Meighen and the late J. S. Woodsworth was the leader of the C.C.F. Mr. Woodsworth wrote a note to both of them saying, what are you going to do about old age pensions; will you bring this in if you have our support? They wanted his support. Meighen did not answer the letter but Mackenzie King did and he received the support. This is a matter of record.

I also want to say this, without being facetious. A few months ago the leader of this government said that the issue in the next campaign is going to be private enterprise versus socialism. This session that same government has been making a pretty fair attempt to expand the welfare state in Canada, and we are certainly not complaining about that because the welfare state is the exact position in which we are. It is going to have to grow. It is an inevitable part of the transition to democratic socialism. I do not think many of us in the House of Commons, let alone in the general public, realize the extent to which under this system of so-called private enterprise we are actually in the welfare state. I was most interested, while making a compilation the other day, to note that the Canadian government is now spending over $3 billion a year out of the federal treasury on the welfare state. If you add together all that is required for pensions, for health services, for hospital grants, for educational grants, for subsidizing free enterprise, the Canadian Pacific, the Canadian National, the coal mines and the gold mines, you find that over $3 billion is the cost of the welfare state in Canada at the moment. I feel this is an indication of the need for speedy planning to ensure there is not a hodge-podge of legislation, of grants and of subsidies.

I mention this welfare state because of the resolution which is now before us and the $82 million we have just passed in the form of supplementary estimates. I was intrigued as to whether or not there was a recognition on the part of the Conservatives of the meaning of this welfare state and of the warnings that they have been given by the fanatical private enterprisers who do not think it is right. I was most interested in reading this remarkable publication that we receive every month called *The Outlook*, which is put out by a chap named Gladstone Murray. He is a responsible enterpriser and it is most interesting to note what he has to say on the front page. It is headed "A Warning Signal", and I can only assume that this is a private enterpriser who is warning the government.

> All who are engaged in private enterprise are warned to exercise special vigilance in 1962. This is the year the socialists and their allies propose to take steps to prepare the way to gain control of this country.

I had thought that when the hon. member for Essex East was speaking he had this warning in mind. He might think that these

advances in welfare by the government tied them up with the socialists. It is interesting to note, after this warning on page 1, that we find what the warning is all about on page 3, where we read the following:

> Under both the welfare state and communism the responsibility for the welfare, security, and prosperity of the people is presumed to rest with the central government. Coercion is as much the tool of the welfare state as it is of communism.

I thought you might be interested in that in case you do, as I usually do, that is throw this paper in the waste basket before reading it. However, this is part of the attack by private enterprise and the welfare state and is also aimed at confusing advances and reforms with that dirty word, in many people's minds, communism. I do not take that attitude, and that is why I welcome any advance that is going to improve the welfare and the standards of the citizens of this country. Personally, I am not concerned with who was responsible in the past or who is to be commended or condemned. The past is past. Whether or not this is an election year, the business of government has to continue and adjustments that can be made in the economy in the interests of the people should be made. The decisions should be made on the basis of merit, not of political expediency.

We can do the majority of our battling, when it comes to differences in fundamental principles—there are certainly fundamental differences—on the hustings and away from the floor of this house. I think a good many of us realize that the proposal now before us is not the ultimate. I feel we have to recognize that in this great welfare state the requirements of the senior citizens can only be satisfactorily brought to a conclusion through definite planning to establish a basic minimum of security at decent levels. Then we can provide, as our group has pointed out over the years, a planned contributory system so that, over and above the basic requirements guaranteed as a right of all, there shall be the opportunity of achieving a higher standard through the contributions made during the period of useful work. However, I am not going to hammer away at that now, except to say that we have brought up this program in the House of Commons year after year and will continue to press for the implementation of such a program.

At the moment, however, with the majority this government has it is obvious that we are not going to get it this session. Therefore we have to deal with what is before us now, which is an increase of $10. Ten dollars is useful. It will be welcomed by the senior citizens. However I hope that in addition to the further planning that must follow, some method may be found to make sure that the senior citizens reap the benefit of the increase. It is my opinion that in regard to the increases in the past a great many of our senior citizens have never received any benefit whatsoever. The reason for this is that the landlords thought the increase was for them and they made sure they got it by immediately raising the rents, so that our senior citizens did not receive any benefit at all. I do not know of any way, except through the medium of publicity, to achieve this result, but I wish there were some way of guaranteeing that the benefit will go to those senior citizens for whom it is intended.

I am sorry—and I must admit it—that the increase could not be more. There is no question whatsoever, and we stated this not only last session but in previous sessions, that the absolute minimum should be $75 a month. When we consider the rents and the cost of living today I do not know how a government that calls itself responsible, that tells us so often how its heart bleeds for these people, could possibly have restricted the increase to $10.

Mr. Pickersgill: Only every four years.

Mr. Winch: I listened with a great deal of interest to the remarks of the hon. member for York-Humber because I too have been interested in senior citizens' housing for many, many years. As a matter of fact, I was and still am a life trustee of the first low rental senior citizens housing project built on the North American continent. My friend the Minister of Public Works knows of the work of the New Vista society, where the finest houses and apartments are made available on a self-sustaining financial basis, because this is demanded by Central Mortgage and Housing Corporation, at rents that originally, on the first units, were $21 a month. These units have gone up year by year, and the latest units have rented at $35 a month. But even that is mighty cheap rent for an apartment or a house. When we consider that the old age pensioner gets $55 a month, which is now going up to $65, and he must pay out of that anything from $21 to $35 a month, we can appreciate what the senior citizen is left with on which to live; and that is only if he happens to live in the type of housing mentioned by the hon. member or the type of housing I have mentioned. With this recognition I think there should be a basic minimum of $75 right now.

Mr. Chairman, I shall not speak at any length on this matter but I do hope the government will take a second look at this measure, reconsider their proposal and see whether it is not possible to establish the basic minimum of $75 a month which they themselves say should be established.

I hope, also, that the government will try to do something to assist the old age pensioner, if it is only by speaking to these scurrilous landlords through the medium of the press, radio or television, by seeing that the $10 increase after this bill goes through will benefit the senior citizens.

I also hope the government will consider bringing in amending legislation so that there is not discrimination. I think it is unfair to say that there is a need to increase the old age pension and then to say, "But if we do increase it, in certain categories we are going to take it back from you in some other way". I refer to retired M.P.'s over the age of 70. They do not receive very much in the way of pension. To qualify for the full $3,000 pension they have to be here 16¾ years. But old age pension must come off that figure. Therefore all we are doing by increasing the old age pension, which they get as a right, is to reduce by $10 their pensions as ex-members of the House of Commons. To my mind that is getting a little too picayune for a responsible government and decent thinking in the House of Commons. What applies to this group also applies to other categories of pensioners. I think the burnt-out pensions are another example.

I believe that if an increase is required it should be given across the board and there should not be this type of discrimination. If the cost of living has gone up for one category of pensioner, it has also gone up for another. I hope these things will be considered and that we may perhaps have a few more direct answers on this question as to what is the universal plan and whether it could not be speeded up. Although my name is Winch, not Moses, and I cannot prophesy, I will say that if it does not come in this session, it will come in next session but perhaps this government will not have the opportunity of bringing it in.

Mr. Martin (Essex East): That is a very good prophecy.

(Translation):

Mr. Paul: Mr. Chairman, it is interesting to note the nervous agitation among hon. members opposite today in the face of the resolution submitted by the Minister of National Health and Welfare (Mr. Monteith). It is amusing to note the apprehension with which hon. members opposite are expecting the day when each and all of us will have to account to the electorate.

First of all, I want very sincerely to thank the government, and especially the Minister of National Health and Welfare, for the very generous gesture in favour of our older citizens in Canada. And, on behalf of my constituents, I want to express to the government and to the Minister of National Health and Welfare my most sincere appreciation.

There is no doubt that this government will have the support of that class of society which, in contrast with what happened under Liberal administration, is today receiving this government's full attention.

While listening to the speech of the Minister of National Health and Welfare, it seemed to me that the Christmas season was still with us. I think that the government has been remarkably generous to our older citizens.

I thought I saw three wise men on the opposition benches: my good friend the hon. member for Essex East (Mr. Martin), the hon. member for Laurier (Mr. Chevrier) and the hon. member for Bonavista-Twillingate (Mr. Pickersgill)—the man with the two flags—who were somehow looking for their guiding star. They fortunately were able to locate that star in the gallery facing us, because that light, that guiding star, was Maurice Lamontagne, the power behind the Liberal party.

An hon. Member: A shooting star, that's it.

Mr. Paul: There we saw our three wise men seeking a way to satisfy the people, because of the coming election. Then, what an uproar when members of the opposition found out about the measures proposed in the speech from the throne. They sent out an urgent call to all the big guns of the Liberal party, asking them to come to a convention at the Chateau Laurier and try to block the welcome measures the government intended to submit to the people.

There we saw, once again, the power behind the throne: Maurice Lamontagne, Mike Sharp and Walter Gordon, striving to find a means, or at least an election platform, to go one better than the Conservative government with its proposed legislation. They were no doubt brilliantly advised by Mr. Coyne, ex-governor of the Bank of Canada, who, a few years ago, asked the Canadian people to tighten their belts, to live according to their means.

The suggestions of the power behind the Liberal party may be behind those remarks made by the hon. member for Essex East about what will be the new policy of the Liberal party when they get back in power.

Fortunately, hon. members of the opposition need have no fear. They will have plenty of time to review and revise their electoral platform, because what they are offering today

has not much appeal for it ill becomes them to offer the Canadian people what they denied them in 1957.

For my part, I find very strange this attitude of a member of the other place, an ex-minister of the Mackenzie King cabinet; because, if I refer to page 28 of the Senate *Hansard*—

Mr. Denis: You do not mean Mr. Courtemanche, I hope?

Mr. Paul: No, it is not Mr. Courtemanche.

An hon. Member: Senator Bouffard?

Mr. Paul: It is a Liberal senator, the Hon. Mr. Crerar, who spoke against old age pensions. And even if I speak a very bad English, I think it would be interesting, for the enlightenment of hon. members of this house, to read what the hon. Senator Crerar said in the Senate.

Mr. Martin (Essex East): Order, order.

Mr. Paul: It is a Liberal senator, the Hon. member for Essex East (Mr. Martin) should want to call me to order. Well, I think it would be better for him to start himself to put order in the mess now existing in the Liberal party, since the Liberals are obliged to review their philosophy constantly.

Try to find a publicity system, a program that might meet the needs of the people, and not only a policy preached in the province of Quebec and another one in the other provinces. You should find a uniform policy which is in keeping with the interests of the country as a whole, regardless of whether those interests are those of the French speaking minority or of the English community. You should make it a point of honour to preach the same policy of national unity that we, members of the Conservative party, have been preaching since we have been in power.

The hon. Senator Crerar—

Some hon. Members: Order.

The Chairman: Order. I regret to interrupt the hon. member, but the rules of the house do not allow to quote remarks that have been made in the other place.

Mr. Paul: Mr. Chairman, I willingly submit to your ruling. But I think those words will have been sufficiently identified by now.

The hon. senator has this to say at page 48—

Some hon. Members: Order.

The Chairman: I must remind the hon. member once again that he cannot refer to speeches made in the other place, that is in the Senate.

Some hon. Members: You may refer to a press clipping if you want to.

Mr. Paul: The hon. senator criticized the program put forward and supported this afternoon by the hon. member for Essex East—

The Chairman: Order.

Mr. Paul: —he knows that there are personalities in the Liberal party—

The Chairman: Order. I think that the hon. member has quite an inaccurate idea of the rules of this house, which definitely forbid quoting here what has been said in the Senate. Such ruling is mentioned in Beauchesne and is well known in this house.

Mr. Paul: Thank you, Mr. Chairman. However, I think almost every hon. member knows about that and, in case the hon. member for St. Denis (Mr. Denis) does not know it, he should read the newspapers which commented on certain statements made by prominent personalities of the Liberal party who do not approve of this old age pension increase to $65 a month and even less the increase to $75 a month.

I feel that the hon. member for Bonavista-Twillingate (Mr. Pickersgill) tried, like a brilliant criminologist, to justify the policy adopted by his party in 1956 and in 1957 when a $6 a month increase was granted to our senior citizens.

The hon. member for Bonavista-Twillingate—

(Text):

Mr. Pickersgill: On a question of privilege, the hon. gentleman has described me by a term which, I think, is not applicable to me. I am not a criminal lawyer and I just want to assure the hon. gentleman that I sign my own letters; I do not get my secretary to do it.

(Translation):

Mr. Paul: It was never my intention to consider the hon. member for Bonavista-Twillingate as a member of the bar. Not at all. I merely identified him as a champion of lost causes.

The hon. member tried to make the Canadian people forget the meagre increase of $6 granted in 1957.

Mr. Denis: At that time, we did not have a deficit.

Mr. Paul: All the more reason. The hon. member for St. Denis should have risen in this house at the time to criticize the government for such lack of generosity. But at that

time, the hon. member for St. Denis did not have the gift of gab. He got it back only in 1958 when he found himself in the opposition.

At that time the government should have increased pensions by much more than $6 a month. This afternoon—

Mr. Denis: Will the hon. member allow me a question?

Mr. Paul: Let the hon. member for St. Denis wait until I am through with my speech. That will give him a chance to make up for all the times he has not spoken since he has been in the house.

An hon. Member: Well said.

Mr. Denis: I am glad because if I had spoken as you did—

An hon. Member: He cannot do it.

Mr. Paul: Mr. Chairman, when there was a budget surplus of hundreds of millions, in 1957, the Liberal government should have given more to the people. They failed to do so. In those years, the Liberal party was living in an ivory tower; they did not care about the people, they made fun of them. That is mostly why in 1957 and in 1958 especially, the Canadian people found them too irresponsible and gave the Conservative government a mark of confidence unequalled in the political history of our country.

When we see the hon. member for Bonavista-Twillingate show a somewhat unusual edginess, we ask ourselves what charges we have laid against the Liberal party. None whatever, and yet, in the speech he made only a few minutes ago, he tried to show the people that the $6 increase given at that time, considering the present value of the dollar, was just as high as the one the senior citizens of our country will be getting when this measure is adopted.

But the hon. member for Bonavista-Twillingate failed to move the heart of the people. I am sure that the verdict will be the one that a criminal knows is coming when he is brought to judgment in court before his peers.

The expectation of the verdict induces the accused in a state of nerves which sometimes prevents him from realizing the seriousness of the situation. That is the situation where the Liberal party finds itself today and as a result of the election, the verdict brought down by the people against the Liberal party will be a verdict of guilty. So there is no doubt that the Conservative government will be re-elected.

Besides, the hon. member for Bonavista-Twillingate blamed the government today for introducing that legislation as a pre-election measure. And the hon. member stated that we are hearing once again, a lot of promises by the Conservative government.

Well, when he visits the province of Quebec, I think the hon. member should try to get away from the reform club a little more. He would then realize that the people of the province of Quebec have had enough of the Liberal promises. At the next elections, the population of the province of Quebec will not put any faith in the promises of the Liberals, for they will be like all those that were made in previous general elections.

As a matter of fact, according to these promises, taxes should not be increased. Old people should get $10 more a month, according to their needs; the hon. member for Bonavista-Twillingate is shocked to find that the increase proposed by the present government amounts to only 30 cents a day. Has the hon. member forgotten, like his colleagues, that in 1956-57 the increase granted to our senior citizens was only 20 cents a day? Furthermore, when the Liberal party legislated in another sphere of our social welfare system, that of family allowances, it granted at that time an increase of only 3 cents a day.

Mr. Chairman, I feel that the increase of $10 will be adequate, or at least almost adequate to enable the old people of the province of Quebec to pay the higher taxes introduced by Mr. Jean Lesage and his Liberal government.

The hon. member for Essex East (Mr. Martin) seems to blame the government for wanting to introduce a bill which might call for an amendment to clause 94A of the British North America Act. The hon. member stated this afternoon—and he will correct me if this assertion is incorrect—that a constitutional amendment is not needed to change the present clause defining the powers of the federal government for granting old age pensions to the aged. Well, Mr. Chairman, I do not share his views on this point, because the British North America Act reserves certain rights for the provinces especially in matters of civil law. So the hon. member will understand that I cannot follow him there.

Mr. Martin (Essex East): They might at least make a start.

Mr. Paul: The hon. member just said "They should at least make a start". Not only have we started—whereas hon. members opposite never did start—but we have started, as witnessed by the letter tabled in the house

by the Prime Minister of Canada (Mr. Diefenbaker), which will be found on page 83 of *Hansard*. It will be noted that the Prime Minister, in that letter to the Quebec premier, gives his reasons for having to introduce the proposed bill. He says that he had hoped that negotiations concerning the amendment and the return of the Canadian constitution would give an opportunity of discussing that problem. But as that amendment will call for many further meetings, the government will call a special federal-provincial conference for that purpose, in order to provide an opportunity of amending clause 94A so that this country may have still more adequate social legislation, in accordance with the present needs of our population.

If the hon. member would refer to page 76 of *Hansard*, he would find the following statement by the right hon. Prime Minister:

> My colleagues and I had hoped that agreement would have been reached by this time on a means of amending Canada's constitution in Canada and that this change in section 94A would have been one of the first amendments made under the new arrangements. It is now evident that it will take some further time to reach agreement on the methods of amendment of the constitution in Canada and it will therefore be necessary to proceed by way of an address to the Queen, as in the past, requesting that the amendment be made by the parliament at Westminster.

Hon. members opposite, here is a concrete effort made by our government to improve the entire social legislation now existing in this country.

Well, Mr. Chairman, I suggest that the Liberals are somewhat unhappy with this welfare legislation. They feel that they have to do some outbidding. I cannot speak for the people of other provinces. I know their representatives in this house, but I am not familiar with the trend of community thinking in each province. However, I know the right-minded element in the province of Quebec, whose motto is: "Je me souviens".

Well now, the people of the province of Quebec will remember, on the one hand, the promises of the Liberal party and, on the other hand, the accomplishments of the Conservative government, and I am convinced that on the day of the next federal election, they will also remember all the legislation that the Liberal party should have brought forward at the time, when it was showing financial surpluses in the administration of the country.

The Conservative party has faced its obligations—

Mr. Martin (Essex East): Like family allowances, which are due to the Liberal party.

[Mr. Paul.]

Mr. Paul: I think that the hon. member will feel still more fidgety when he learns of the other social measures which our government will probably offer the Canadian people.

Mr. Chairman, I heard the Leader of the Opposition (Mr. Pearson), during his speech on the address in reply to the speech from the throne, upbraid the Minister of Finance, (Mr. Fleming) for having introduced budgets showing deficits of more than $2.4 billion. I must say that we are proud of them, because the Conservative government has inherited a situation prepared by the thoughtlessness, indifference and neglect of the Liberal regime which, in 1956, came before the people to make it believe that prosperity was just around the corner in Canada. But it is only in 1957 that the Prime Minister tabled in the house the report which then showed clearly the true economic situation of our country.

Canadians will not forget this meanness, this administrative dishonesty on the part of the Liberal party. They will not hesitate to put their trust once again in a government which was not afraid to contemplate a $2,700 million deficit to meet the economic situation, in peacetime, for peaceful undertakings, while the Liberal party, in five years of war, put the country into debt for a sum of $17 billion.

Indeed, Mr. Chairman, Canadians will renew their trust in the present government, because they realize today that it is the only one in a position to look after their needs, to meet their aspirations and, above all, to grasp the economic evolution we are now going through. What we need is a Conservative government—not just a government full of empty promises, not a government which is only trying to bid higher, not a government with pangs of remorse for having been so neglectful, but without any repentance nor the will to amend its ways.

We must fear that if the Liberal party came back to power, their administration would be as far away from the people as it was from 1950 to 1957.

I feel certain that the Conservative government which shows such brilliant leadership in the administration of this country will be returned to power. Better still, I am sure that the province of Quebec constituencies which, by inadvertence, elected a Liberal to this house in 1958 will, this time, return a Conservative member.

(Text):

The Chairman: Shall the resolution carry?

Some hon. Members: Agreed.

Resolution reported and concurred in.

Mr. Fulton (for the Minister of National Health and Welfare) thereupon moved for leave to introduce Bill No. C-54 to amend the Old Age Security Act.

Motion agreed to and bill read the first time.

OLD AGE ASSISTANCE ACT

AMENDMENTS TO INCREASE ASSISTANCE AND ALLOWABLE INCOME

Hon. J. W. Monteith (Minister of National Health and Welfare) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Old Age Assistance Act to increase to sixty five dollars per month the maximum amount of assistance in respect of which payments may be made to the provinces under the provisions of that act, and to increase the total amount of allowable income, inclusive of assistance, by one hundred and eighty dollars a year in the case of an unmarried person and three hundred and sixty dollars a year in the case of a married person.

Motion agreed to and the house went into committee, Mr. Martineau in the chair.

Mr. Monteith (Perth): The amendments proposed in this resolution are twofold, Mr. Chairman.

The first proposal is to share with the provinces, if they agree, a further increase in the maximum amount of old age assistance bringing this figure to $65 a month, the same as for old age security.

The second proposal, again subject to provincial agreement, is to increase the income ceilings covering both the assistance payable and the amount of outside income by $180 annually in the case of unmarried recipients and by $360 a year in the case of married persons.

The considerations which prompted an increase in the amount of old age security benefit from $55 to $65 a month apply with equal force to the maximum benefit payable under old age assistance. Certainly if it is desirable to raise the benefits under old age security to $65—and we all agree that it is desirable—we can hardly do less for old age assistance recipients in the 65 to 69 age group, all of whom are in need of assistance to a greater extent than are many of those receiving old age security.

As a by-product of these actions there are, of course, advantages in terms of administrative efficiency and of convenience to the recipients in having the maximum level of benefit payable under old age assistance the same as the amount of benefit payable under old age security when recipients of the former reach the age of 70.

With the approval of the present amendments, Canada's provisions for old age assistance will compare favourably with any assistance program in the world. In fact, the new maximum ceiling will be higher than those prevailing in countries like Australia, New Zealand and Denmark which have a comparable type of assistance program. Furthermore, over and above our old age assistance maximum, there is the possibility of additional amounts being paid to meet special circumstances where the provinces wish to participate in this respect under the unemployment assistance program.

As compared with the United States, our situation is also favourable. In that country, for example, the average payment per recipient for old age assistance in August 1961 was $68.44. With the higher maximum of $65 now being proposed, it can be expected that the average payment under Canadian legislation will be very close to that available under the United States program. This, of course, is quite apart from the additional payments available in Canada under unemployment assistance for which, I might point out, there is no counterpart at the federal level in the United States.

On this matter of unemployment assistance, several of the provinces—and particularly those which have large numbers of people in high-cost metropolitan areas—have been making additional payments to pensioners over and above the existing $55 a month benefit. Based upon returns for June 1961 which are now complete for New Brunswick, Quebec, Ontario and British Columbia, the federal share of such assistance payments in these four provinces alone has been running at the rate of $8 million a year for recipients of old age security and the three categorical aid programs. Information of a comparable date from Alberta, Saskatchewan, Manitoba and Newfoundland which are also making additional assistance payments shared by the federal government is not yet available. It is apparent, however, that the total federal share in the current fiscal year will exceed $10 million.

The increase in maximum old age assistance benefits of $10 a month or $120 a year necessitates, of course, an adjustment in the overall income ceilings on the basis of which eligibility for assistance is determined. As the resolution indicates, the maximum allowable income, inclusive of benefits, for a single person is to be raised by $180 a year and for a married person by $360 a year.

The committee will no doubt have noted that these new levels go beyond what would be required to permit recipients to receive the full benefit of the increase in maximum payments. This has been accomplished through

an increase of 20 per cent in the amount of outside income a recipient may have without reduction of the maximum benefit. This means simply that a recipient can now earn more money before his pension benefit is affected.

The pattern of administration for old age assistance, of course, has been developed on the basis of co-operation with the provinces which for the purpose of this program include the territories. The federal treasury contributes 50 per cent of the cost of payments made by the provinces to the individual recipients. Under these arrangements, implementation of the higher maximum benefit and the higher income ceilings now being proposed will depend upon action being taken by each province. We sincerely hope that the provinces will consider it possible, as they have in the past, to make these new increases available to the recipients of old age assistance within their respective jurisdictions.

In March, 1961, there were 100,184 recipients under the old age assistance program. It is anticipated that the proposals now before the house will cost something in the order of $14.4 million of which the federal share will be $7.2 million. I think that is all I need say at this stage, Mr. Chairman, and I trust that the resolution will receive the unanimous support of the house.

Mr. Martin (Essex East): Mr. Chairman, once again we are discussing an amendment to an act that gives assistance to an important and large section of the Canadian people. This amendment is an amendment to an act that was introduced in this house by a Liberal administration. Perhaps it seems unnecessary to remind hon. gentlemen that this measure and the one that preceded, as well as those to follow, are based on acts introduced by Liberal governments under two great prime ministers, Mr. Mackenzie King and Mr. St. Laurent.

Mr. Fulton: You could hardly avoid going along with them.

Mr. Martin (Essex East): These observations made by some hon. gentlemen and particularly at this moment the unimportant interruption of the Minister of Justice—

Mr. Fulton: It was unimportant because I was giving you credit.

Mr. Martin (Essex East): —make it necessary to point out that this government has been lacking in originality in the projection of the social welfare vision which the Prime Minister said in 1957 and 1958 he was going to implement for the Canadian people. All that this government has been able to do is to take basic acts introduced by its predecessor and, in the light of current economic conditions, try to make some necessary and belated modifications.

Mr. Monteith (Perth): Improvements.

Mr. Martin (Essex East): We will support this resolution, but in supporting it we must point out once again that in the light of the present cost of living and the assurances in that connection by the Prime Minister, in the light of economic and social conditions that prevail in this country, so largely contributed to by government policies or lack of government policies, this proposed increase is not adequate. It is not adequate for the reasons that were stated by the leader of the Liberal party when he enunciated our program for a contributory scheme of old age pensions on January 5 last.

Mr. Fulton: The first one or the amended one?

Mr. Martin (Essex East): This particular plan of old age assistance is one that arises out of the action taken by the government of Canada in 1950 when the federal government assumed full responsibility for old age pensions for all its citizens 70 years of age and over. When this was done, following the concurrence of the provinces in giving to the federal government the power to impose contributions under the present section 94A of the British North America Act, the federal government agreed that it would assume half of the cost of old age assistance for those Canadian citizens between the ages of 65 and 70.

As the minister has said, this particular resolution depends for its operation not only on the act of this parliament but on the concurrence of and implementation by each of the 10 provincial governments. I was, therefore, surprised when I heard the minister tonight, not to hear any reference made by him with respect to whether or not the provinces had been consulted in this matter. The minister still does not take advantage of this observation to indicate whether the provinces have been officially apprised of the position of the government.

Mr. Monteith (Perth): May I interrupt for one moment to indicate to the member for Essex East that the provinces have been apprised.

Mr. Martin (Essex East): That is very important information which the minister, only because of his heavy preoccupations, I am sure, forgot to disclose during the course of his remarks. He has not yet told us, however, if all of the provinces have been in communication with the federal government.

He has not indicated if they have all agreed to share with the federal government in the implementation of the proposed inadequate increase, and inadequate it is because we all know that the old age assistance plan is one that operates on the means test. While the means test has been liberalized, and I use the word "liberalized" with good justification, nevertheless we know that the inadequacy of some of the provincial supplementary payments does not provide the kind of assistance even under this measure which is necessary to meet these cases.

It would be interesting to know whether or not all of the provinces have agreed to share in the proposed increase. The minister sits in his place and gives no indication, Mr. Chairman. I can only take it that the exchanges that have taken place between the federal government and the provincial governments in this regard were of a very pro forma character. I can well understand what certain members of this house would have said if we had followed that course had we been sitting on the benches occupied by the minister and his colleagues, where we soon shall be. I can very well understand how they would talk about lack of consultation.

Mr. Monteith (Perth): I wonder if the hon. member would permit a question?

Mr. Martin (Essex East): Yes.

Mr. Monteith (Perth): Did he, in 1957, have the agreement of all the provinces to the increase of $6 in the assistance acts before they came into being?

Mr. Martin (Essex East): That is not the point I was making. The point I was making was that we had told the provinces what we proposed to do. We had sought to obtain from them their consent and their participation.

Now, properly, much has been made of our contributory plan. The Prime Minister caused His Excellency, in pronouncing the speech from the throne, to suggest that before we could embark upon any federal contributory scheme there would have to be the fullest co-operation with the provinces, even on those matters upon which all are agreed there is no constitutional impediment. Nevertheless, notwithstanding that, we have no detailed explanation from the minister as to the character of the replies the provinces have given. We do not know, nor does the minister seem willing to indicate, if when we pass this resolution, as I hope we soon will, the people of Canada may count upon this being fully effective because of the prior consent having been given by the provinces.

I do not say the minister should wait until that consent is obtained. Of course, this parliament is sovereign within those matters coming within section 91 of the British North America Act. It ought to be possible, when we are considering a measure such as this, not to mislead the Canadian people into believing that because we pass this particular measure and it becomes law, it will mean that there will be one additional cent in the pockets of those who are able to qualify for assistance under the Old Age Assistance Act. Until each province tells us that they accept this measure we will have had only a declaration of intention from this federal parliament. This is another device by this government, another façade, in their pre-election attempt, to convey the impression that more is being done when such is not the case.

Now, we say that this amount is inadequate. When the leader of the Liberal party outlined the Liberal party's contributory plan on January 5, he went farther and proposed as part of that plan that the Liberal party, in co-operation with the provinces, would be ready first to increase old age assistance to $75, rather than $65; second, to grant old age assistance to unmarried women and widows at age 60.

Mr. Monteith (Perth): Did you consult the provinces?

Mr. Martin (Essex East): Third, he proposed to pay supplementary old age assistance of $20 a month to married women age 70 and over, in cases where the $130 a month pension for a married couple leaves them in need of further assistance.

Those are further modifications which would make our Old Age Assistance Act more effective, more in keeping with existing economic and social facts facing our senior people than the continuation of a pattern which was introduced by their predecessors long before the Conservative party had exhibited any interest in social welfare provisions.

Mr. MacInnis: Are you going to tell the provinces again?

Mr. Martin (Essex East): When we are the government, we will not delay telling the provinces. I will tell you what we have done. We are not the government and consequently we have no official contact with the provinces. The leader of the Liberal party, when he enunciated this program on January 5, told the people of Canada; and it is the people of Canada who will make the decision. One of these days the people of Canada are going to decide whether or not they regard the present administration as capable of developing our social security program in

a manner consistent with the need and in a way that could be characterized as a responsible approach to making these social measures effective.

Mr. Fulton: The answer will be yes.

Mr. Martin (Essex East): Now, this statement of policy which was made by the Leader of the Opposition, and which I repeat tonight, was based on considerations that did not arise only because of this session, that did not arise only because we were in the throes of a general election. If this government wanted to give evidence of its good faith in this matter, it would not have waited until a few weeks or a few months before the dissolution of parliament. It would have introduced these measures earlier when the need was obviously present, having in mind the cost of living, the standard which the Prime Minister established for the use of the government in determining what amount should be provided by way of increase in these social measures. In 1958 we proposed at our national Liberal convention a number of amendments to the old age assistance program. One of them was the extension of old age assistance to unmarried women and widows 60 years of age.

The Minister of Labour is listening to me with care at this moment, as he usually does. I am sure he will recognize that if there is one improvement in this particular measure that is needed, it is this particular proposal. The Minister of Labour will observe that, while we are going to vote for this measure, we regard it as inadequate because the amount is inadequate. We believe in a $75 old age assistance program, to be shared with the provinces, and we believe that there should be an extension of old age assistance to unmarried women and widows 60 years of age. The Minister of Labour knows how important this would be, particularly at the present time in view of the high level of unemployment and in view of the high distress that consequently prevails. In consequence, so many people would profit from this kind of assistance.

Mr. Starr: I rise on a point of order, Mr. Chairman. The hon. member for Essex East has said certain things. I consider these to be election promises, and they have no intention of carrying them out.

Mr. Martin (Essex East): I hope, Mr. Chairman, you will see that the rules are observed carefully, particularly by ministers.

We accept this resolution so far as it goes. We regret its shortcomings for the reasons I have given. However, we regret it for another reason, and that is that all this government is able to do in terms of social welfare measures is to build their inadequate projections, not on a foundation of their own, but on a foundation that was conceived by the Liberal party.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Pickersgill: I wonder if the house leader would indicate the order in which the items will be taken up tomorrow, or if it is now the intention of the government to carry out the undertaking given by the Prime Minister on the opening day of parliament and resume the debate on the throne speech.

Mr. Monteith (Perth): That is absolutely wrong.

Mr. Pickersgill: You are very sensitive about it.

Mr. Churchill: Tomorrow the business will be as follows: Second reading of the bill to amend the Old Age Security Act, followed by the three resolutions in the name of the Minister of National Health and Welfare, which are numbers 13, 14 and 15 on today's order paper.

Mr. Pickersgill: Could the minister say whether the bill is now available for distribution in both languages?

Mr. Churchill: Once the bill has received first reading—

Mr. Pickersgill: It did tonight, an hour ago.

Mr. Churchill: —the matter is in the hands of Mr. Speaker and his staff.

Mr. Martin (Essex East): That does not answer the question.

Mr. Pickersgill: No, that does not answer the question.

Mr. Monteith (Perth): Well, for Pete's sake check on it.

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

HOUSE OF COMMONS

Tuesday, February 6, 1962

The house met at 2.30 p.m.

HER MAJESTY THE QUEEN

CONGRATULATIONS ON TENTH ANNIVERSARY OF ACCESSION TO THRONE

Right Hon. J. G. Diefenbaker (Prime Minister): On this the tenth anniversary of the accession to the throne of Her Majesty Queen Elizabeth, I extended to Her Majesty, on behalf of the government, the Commons and the people of Canada, warmest congratulations coupled with the hope that the next decade of Her Majesty's reign would be one of peace and prosperity not only among the peoples of the commonwealth but throughout the world.

(Translation):

Hon. Lionel Chevrier (Laurier): We should like to join with the Prime Minister in extending our congratulations to Her Majesty the Queen on the tenth anniversary of her accession to the throne.

We trust that the future, like the past, will bring us prosperity and peace.

(Text):

I should like to add to what has already been said by the Prime Minister our congratulations and best wishes on the occasion of the tenth anniversary of the accession to the throne of Her Majesty the Queen.

Mr. Hazen Argue (Assiniboia): It is my privilege on behalf of this group at this time to join with the Prime Minister and the hon. member for Laurier in expressing our loyalty to Her Majesty the Queen and in conveying to her on behalf of parliament, in the unanimous sense, our best wishes. We believe that her reign has been successful in most respects in the last decade, and we are certain that in the years ahead she will occupy this prominent position with great dignity and in the interests of all her subjects.

FINANCE

GOVERNMENT CHEQUES TO BE ISSUED IN BOTH ENGLISH AND FRENCH

Hon. Donald M. Fleming (Minister of Finance): For some time, Mr. Speaker, the treasury board has been giving consideration to the question of the language in which government cheques are printed. There has been no uniformity in the practice prevailing heretofore. Cheques have been in use in bilingual form in the province of Quebec for some purposes but not for others. Cheques used for the purpose of making payments of any kind in the other nine provinces have been in English only except for some bilingual cheques issued in Ottawa.

The board has decided that the time has come to end the anomaly of this variety of practices and to bring the practice in relation to cheques into harmony with our practice in relation to Canadian currency, money orders and postal remittances, all of which are in bilingual form.

Accordingly, acting in pursuance of the powers conferred on it by parliament in section 33 (1) of the Financial Administration Act, the board has directed that hereafter, as existing stocks of cheque forms and those already on order are depleted, forms printed in both English and French will be adopted in the case of all cheques drawn on the account of the Receiver General.

(Translation):

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should not want in the least to introduce a contentious note in this debate, but I am convinced that the announcement made a few minutes ago by the Minister of Finance, which was greeted very cheerfully by both sides of the house, indicates somewhat the events that will take place shortly. At any rate, we, on this side of the house, are pleased with the government's decision to act along those lines.

I am also convinced, Mr. Speaker, that this decision will be well received by the Canadian people.

(Text):

Mr. Hazen Argue (Assiniboia): Mr. Speaker, on behalf of this group I wish to express at this time complete approval of the announcement that has been made, and to say that while naturally we would have liked the announcement to have been made long ago—

Some hon. Members: Oh, oh.

Mr. Argue: —and the record is quite clear in that regard, none the less we are pleased that at long last and with an election almost within sight the government is bringing about bilingual cheques. I am certain that this action by the government will receive general approval from coast to coast. I believe that Canadians recognize the bilingual and bicultural nature of Canada, and will approve what the government has announced today.

I am certain that in the province of Quebec this action will be received with genuine approval. I am also certain that it does not meet many of the basic issues that are of concern to the people of that province, but it is another indication that working together we can build a country that will afford the greatest possible benefits to all of its citizens no matter what their native tongue may be.

Mr. Pigeon: Mr. Speaker, may I say a few words?

Mr. Chevrier: Mr. Speaker—

Mr. Speaker: Order. I see that the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) is rising. Is it in relation to the statement which has just been made?

Mr. Pigeon: Yes.

Mr. Speaker: It has not been the practice to permit other than the leaders of the parties in the house to speak. If the hon. member would declare what party he is leading—

THE BUDGET

INQUIRY AS TO PROBABLE DATE OF PRESENTATION

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I understand that you have called orders of the day and I should like to ask—

Mr. Fleming (Eglinton): No.

Mr. Chevrier: Yes, the Speaker called orders of the day. My question is prompted by the events that have just preceded this interruption, and it is directed to the Minister of Finance. Will the Minister of Finance give the house the assurance that he will introduce a budget before parliament is dissolved so that the people of Canada will know the state of the country's finances?

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, the people of the country know the state of the country's finances to the full extent that is normal at this time of the year. As I pointed out last week, the time that has elapsed since the last budget is less than is normally the case at this season of the year. If the hon. member can tell me when dissolution may be expected I will be able to give him a more complete answer. In the meantime, Mr. Speaker, everybody else seems to be behaving normally around here except the official opposition.

Hon. Paul Martin (Essex East): May I ask the Minister of Finance a supplementary question. Having in mind the fact that he has statutory responsibility as Minister of Finance, does he not think this responsibility demands that he should inform parliament and the nation now that he proposes to bring in a budget before the dissolution of parliament?

Mr. Fleming (Eglinton): Mr. Speaker, I am sorry to see the hon. member in such a state of agitation.

Mr. Martin (Essex East): The people of Canada are agitated.

Mr. Fleming (Eglinton): May I offer him some well meant but utterly gratuitous advice? I think he should not allow his actions to be so completely dominated by fear and foreboding as they seem to be.

Mr. Pickersgill: A supplementary question, Mr. Speaker—

Mr. Speaker: I am afraid I cannot accept a supplementary to two improper questions.

Mr. Martin (Essex East): I rise on a point of order, Mr. Speaker. I am sure Your Honour did not mean the questions were improper. The people of Canada are entitled to have—

Some hon. Members: Order.

Mr. Martin (Essex East): The people of Canada and the members of this house are entitled to have from the government, and particularly from the Minister of Finance, a statement showing the condition of the finances of this country; that is not an improper question.

Mr. Speaker: Perhaps I did not express myself properly. What I meant was that the questions were not proper ones to be asked at this time of the day, not that they were not proper questions.

Mr. Martin (Essex East): The Minister of Finance is wholly irresponsible.

[*Later:*]

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, in the light of the answer he gave to a previous question, may I ask the Minister of Finance whether he can assure the house that his ignorance as to dissolution is as great as it was as to cabinet shuffle?

Mr. Speaker: Order. I did not hear all the question, but it did not strike me as being a proper one to be raised on the orders of the day.

TRADE

CUBA—PRECAUTIONS AGAINST RE-EXPORT OF U.S. GOODS

On the orders of the day:

Hon. George H. Hees (Minister of Trade and Commerce): On Friday the Leader of the Opposition asked what steps are taken

to ensure that goods exported from Canada to Cuba are not originally from the United States, and whether the exporters are asked to give the original source of goods exported to Cuba.

The export control list contains an item which requires an export permit for the re-export from Canada of all goods originating outside Canada. The item is defined in group 9 of the list. The export permit application form requires that the exporter declare the country of origin of the goods, whether any of the goods are wholly or in part of United States origin, and if so what percentage of the total value of the export are goods of United States origin and what percentage of the value of the goods of United States origin are in the same condition as when imported.

Where goods may be exported without an export permit, the exporter is required under the export permit regulations to declare on the customs entry form B-13 that the export does not contain goods imported from the United States that have not been further processed or manufactured in Canada and the export is in accordance with the Export and Import Permits Act and regulations.

The Export and Import Permits Act provides that officers as defined in the Customs Act have, with respect to any goods to which the Export and Import Permits Act applies, all the powers they have under the Customs Act respecting search, detention, seizure, and forfeiture.

[*Later:*]

Mr. Hubert Badanai (Fort William): I wish to direct a question to the Minister of Trade and Commerce. On November 30, 1960 the minister was asked whether restrictions on strategic exports to communist countries applied equally to Cuba. The answer he gave was no. Does the government now consider Cuba a communist country?

Mr. Hees: For some time Cuba has been included among the countries to which the so-called strategic list applies.

Hon. Paul Martin (Essex East): I wish to ask a question of the Prime Minister. In view of the steps taken by the United States to guard against an expansion of communist influence in Latin America, does the Prime Minister not think it is prejudicial to that objective for Canada at this time to be selling such goods as explosives, motor vehicle parts, aircraft engines and parts and other engines of various types; does the Prime Minister not feel there should be a review of the items on the present so-called non-strategic list?

Mr. Fulton: Sold to where?

Mr. Martin (Essex East): Sold to Cuba.

Right Hon. J. G. Diefenbaker (Prime Minister): All I can say in that regard is that we have been most meticulous in our care in ensuring that strategic materials should not be sent to Cuba. I think that course receives the unanimous support of the opposition. That was evidenced by a statement made by the Leader of the Opposition who, I am sure, was speaking for the official opposition.

An hon. Member: You can never be sure.

Mr. Diefenbaker: I might point out that the decision of the United States concerned its trade relations with another country. No representations have been made to the Canadian government by the United States along the lines of what was said by the hon. gentleman.

Mr. Martin (Essex East): We can act by ourselves; we need not depend on the United States.

Mr. Diefenbaker: A moment ago the hon. gentleman seemed to be thinking we should take whatever course another country takes. I am glad to see that he agrees with our stand, that we should make our own determination—

Mr. Martin (Essex East): Of course.

Mr. Diefenbaker: —having regard always to the need of maintaining intact the determination of the free world to resist communism.

Mr. Martin (Essex East): May I ask the Prime Minister if he would be good enough to answer my question?

Mr. Diefenbaker: I can do no better than answer it. I cannot furnish intelligence.

Mr. Martin (Essex East): Perhaps the right hon. gentleman could furnish information.

SPORTS

HOCKEY—REFUSAL OF TRAVEL PERMITS FOR EAST GERMAN TEAM

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Prime Minister without being nipped in the bud by the rules. In view of reports that the Prime Minister has received a telegram from Mr. Jack Roxburgh, president of the Canadian amateur hockey association, urging the government to officially protest the refusal to grant travel permits for the East German hockey team to play in the world amateur hockey tournament at Colorado Springs next month, will the Prime Minister

inform the house whether he has received such a telegram and of his reaction to this infantile provocation?

Mr. Speaker: I could not help but pay unusual attention to the question, in view of the hon. member's introduction. It is quite difficult to draw a line between public and private affairs, but in my opinion the question relates to private affairs.

CURLING—CHAMPIONSHIP MATCHES IN KITCHENER, ONT.

On the orders of the day:

Mr. O. W. Weichel (Waterloo North): Mr. Speaker, I should like to direct a question to the Prime Minister. Is the Prime Minister aware that the Canadian curling championship for the MacDonald's Brier tankard will be held in Kitchener, Waterloo North, March 5 to 9, 1962?

Mr. Argue: John will be there.

GRAIN

WHEAT—STATEMENT ON FINAL DURUM PAYMENT

On the orders of the day:

Hon. D. S. Harkness (Acting Minister of Agriculture): Yesterday the hon. member for Assiniboia asked whether the minister could give the house any information as to when the final payment for Durum wheat may be paid. The answer is that the final payment with respect to Durum wheat will be made at the same time as payments for other wheat delivered to the 1960-61 pool, as has been the practice in the past.

I may add that the Prime Minister has indicated to the house that the final payment for the 1960-61 wheat pool will be made by seeding time.

Mr. Hazen Argue (Assiniboia): May I ask a question arising out of the minister's statement. The minister has said that payments will be made before the seeding season. I wonder would he indicate when an announcement will be made as to the size of the payments, so that producers may be informed?

Mr. Harkness: I am not in a position to be able to state that.

AGRICULTURE

FRUIT, VEGETABLES AND HONEY ACT—STATEMENT AS TO REPEAL

On the orders of the day:

Hon. D. S. Harkness (Acting Minister of Agriculture): Yesterday the hon. member for Kootenay West asked whether the government was giving consideration to the repeal of the Fruit, Vegetables and Honey Act and incorporating the provisions of this act with amendments in the Canada Agricultural Products Standards Act.

The answer is that the Department of Agriculture, not the government, has been giving consideration to recommending that the Fruit, Vegetables and Honey Act be repealed and at the same time rewriting the regulations under the provisions of the Canada Agricultural Products Standards Act.

INDUSTRY

BASE METALS—EFFECT OF POLICY ANNOUNCEMENT BY PRESIDENT KENNEDY

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): The hon. member for Port Arthur asked me a question yesterday relating to base metal production. He wanted to know what effect, if any, I or the minister responsible can discern in the statement of policy President Kennedy announced last week with regard to stockpiling base metals, and what repercussions it may have here.

The statement by the President of the United States announced the intention to appoint a commission to make a detailed review of United States stockpiling policies, programs and goals in the light of changing defence and strategic requirements and improved technology. The statement indicated his awareness of the intricate and interrelated problems, including the difficulties experienced by certain mineral industries, the impact on world markets and the importance to certain countries in trade in these materials. Then he gave an assurance that no action would be taken which would disrupt commodity prices. Until some indication is available of the findings of that commission, of course no comment could be offered. However, in view of the large stockpile holdings of base metals and other materials important in Canada's export trade, this matter will be kept under close review.

I attach great importance to the assurance given by the President that no action will be taken which will be disruptive to commodity prices.

ATLANTIC PROVINCES—ESTABLISHMENT OF PROJECTS COMMISSION

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I might address a question to the Minister of Finance and ask him if the government is at the present time giving active consideration to the promise made by his colleagues from the Atlantic provinces

in 1957 that an Atlantic provinces projects commission would be set up shortly after that election.

Hon. Donald M. Fleming (Minister of Finance): I shall have to examine the assertion made by the hon. gentleman before accepting it as a correct interpretation of anything which may have been said by or on behalf of Progressive Conservative members. I find that the hon. member's interpretation of what he calls promises is farfetched in many cases. However, I draw to his attention the fact that this government has embarked upon more projects of benefit to the Atlantic provinces—

Some hon. Members: Order.

Mr. Fleming (Eglinton): —than any government in Canada's history.

Mr. Pickersgill: I am rising on a point of order. You have ruled on many occasions, Mr. Speaker, that questions asked on the orders of the day in this house should be genuine questions and that the replies given by ministers should be in response to the questions asked, not political speeches. My inquiry, I submit, was made without any adornments whatsoever; it was a simple question about a promise made before the 1957 election. The minister does not seem to know the promise was made, and he proceeded to make an irrelevant statement.

Mr. Fleming (Eglinton): I made a non-political response to a political question.

Mr. Speaker: I had some doubt as to the urgency of the question, having regard to the time when the promise was alleged to have been made. However, I have no doubt that the answer was out of order, as the hon. member for Bonavista-Twillingate indicated.

EXTERNAL AFFAIRS

ADDRESS TO CANADIAN PARLIAMENT BY U.K. PRIME MINISTER

On the orders of the day:

Mr. Lucien Cardin (Richelieu-Vercheres): I wish to address a question to the Prime Minister. Could the Prime Minister say whether an invitation has been or will be sent to the Prime Minister of the United Kingdom to address the Canadian parliament when he is in Ottawa during the latter part of April of this year?

Right Hon. J. G. Diefenbaker (Prime Minister): The last part of April is commonly about Easter time, and at Easter time the house normally is adjourned.

NATIONAL DEFENCE

NATO—CONSTRUCTION OF NUCLEAR WARHEAD STOREHOUSES

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I should like to direct a question to the Minister of National Defence and ask him whether he has authorized the construction of nuclear warhead ammunition storehouses this year on the sites of Canadian military establishments in France and Germany.

Hon. D. S. Harkness (Minister of National Defence): Under the NATO infrastructure plan, NATO has authorized this work and construction is going forward in connection with certain storage accommodation of this nature.

[*Later:*]

Mr. Winch: Mr. Speaker, I should like to direct a question to the Minister of National Defence. Would the minister say whether the nuclear warheads stored at Canadian military establishments in France and Germany are for the use of Canadian forces equipped with nuclear weapons?

Mr. Harkness: Mr. Speaker, as I had indicated before, the placing of storage sites for nuclear warheads in the territory of the West German Federal Republic is a matter for agreement between NATO authorities and the West German republic. Some of these may be located near where our troops are stationed, but they are not our installations.

IMMIGRATION

BERNARD NDAR—INQUIRY AS TO ADMISSION TO CANADA

On the orders of the day:

Mr. Walter Pitman (Peterborough): I should like to direct a question to the Minister of Citizenship and Immigration. Has any final decision been made in the case of Bernard Ndar, who wished to enter Canada in order to attend Regiopolis school in Kingston?

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): No. The story behind this particular case is that this young man wrote last year and asked if he could come to Canada to take one or two subjects to complete his high school training so as to be eligible for admission to a Canadian university. Unfortunately he did not write until about October, and the high school year was well under way at that time. He was told he was a little late, but that if he wished to come next year and enroll in a university we would be glad to permit entry several months ahead of time so that he could brush up the subjects in which he required further tuition.

To this letter no answer has been received. In the meantime the school to which he was to have been destined has withdrawn its application. I know nothing about any subsequent stories which have appeared in the press, but that represents the true state of affairs.

POWER

MEETING WITH PREMIERS RESPECTING NATIONAL GRID

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I wish to address a question to the Prime Minister based on a press report that Premier Bennett has suggested a meeting of the premiers to discuss a possible national energy grid. Can the Prime Minister advise the house as to the attitude of the government toward the suggestion?

Right Hon. J. G. Diefenbaker (Prime Minister): I have had correspondence with some of the premiers in connection with an invitation which I extended to the provinces on behalf of the federal government to meet together with advisers and give consideration to the establishment of a national power grid.

Naturally any meetings which may take place between the premiers of the provinces are matters for them. But I think there is, in addition to the provincial jurisdiction over power, particularly in the territorial jurisdiction of each of the provinces, a national problem which needs co-ordination with the federal authority. I hope we will be able to bring about such a meeting so that by co-operation with the provinces Canada may be able to arrive at a policy that will assure the necessary power in the years ahead for Canada to expand and develop industry as never before.

Mr. Chevrier: A supplementary question. Has the Prime Minister taken cognizance of the statement made by one of the leading experts in this matter, namely Mr. Briggs, who made it clear in a paper not so long ago that a national power grid at this time was not practicable? Has the right hon. gentleman any comment to make on that aspect of the question?

Mr. Diefenbaker: There are various opinions. I find that no matter how good the stand taken over here, the opposition always says it is wrong. I am not placing the individual in question in that position, but there will always be a diversity of opinion. We in the federal government believe that in co-operation with the provinces achievements may be attained in connection with power which will prove their worth in the years ahead.

Mr. Chevrier: Is the Prime Minister aware that Mr. Briggs the individual in question is one of his own appointees?

Mr. Speaker: I think the hon. gentleman is putting forward a question which is more an argument than a question. In my view the matter has gone as far as it can without becoming a debate.

HEALTH AND WELFARE

CIGARETTES—REQUEST FOR LISTING OF INGREDIENTS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Minister of National Health and Welfare. In view of the hon. gentleman's answer to my question No. 91 yesterday, would he consider introducing an amendment to the appropriate statute that would empower his department to require cigarette manufacturers to list and give full particulars of the percentages of all the ingredients of their cigarettes, similar to that required in the case of patent medicines?

Hon. J. W. Monteith (Minister of National Health and Welfare): My department is continuously giving consideration to all these problems, and when a decision is reached we shall announce it in the usual manner.

REQUEST FOR EXTENSION OF MEAT INSPECTION SERVICES

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare regarding the sale of unfit meat. Can the minister say whether he has been able to arrange a conference with representatives of the provinces to discuss this matter? If so, with what provinces, and when will the meeting take place?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I am not in a position at the moment to answer that question in detail. Replies have yet to be received from some of the provinces. I hope to be able to make a decision in this respect very shortly.

(Translation):

PUBLIC SERVICE

INQUIRY AS TO APPOINTMENT OF UNDER SECRETARY OF STATE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to direct a question to the Secretary of State.

In view of the fact that the former under secretary of state handed in his resignation about six months ago, could the Secretary of State tell the house if a new appointment will be made soon?

Hon. Noel Dorion (Secretary of State): Mr. Speaker, the matter is under consideration. The hon. member for Laurier undoubtedly knows that the Secretary of State does not have the exclusive privilege of choosing his under secretary. At any rate, this matter will be settled shortly.

(Text):

Mr. Chevrier: Mr. Speaker, in the light of that answer I should like to direct my question to the Prime Minister. In view of the fact that the under secretary of state handed in his resignation some six months ago, may I inquire of the Prime Minister when it is the intention of the government to appoint a successor to that position?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I anticipate being able to make that announcement very shortly.

CANADIAN CONSTITUTION

TABLING OF CORRESPONDENCE WITH PROVINCES

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, in spite of the fact that we have had one day's debate concerning social welfare measures, may I ask the Prime Minister whether he is now disposed to table the replies he received from the provincial premiers in answer to his letter, which was referred to in this house during the early part of the session?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I had the documents in my hand at the time the hon. gentleman rose.

Mr. Martin (Essex East): The hon. gentleman should have tabled them yesterday.

Mr. Diefenbaker: He must have noticed that I was prepared to ask the house whether or not it would be in order to table them.

Mr. Martin (Essex East): They should have been tabled yesterday; that is the point.

Mr. Diefenbaker: I have not had the consent of the premier of Quebec, although he did make reference to tabling in the reply he gave. I communicated with him by wire, and not having received an answer to the contrary I expect he would have no objection.

I therefore wish to table copies of correspondence received from the premiers of Quebec, Saskatchewan, Alberta, Prince Edward Island, Nova Scotia and Manitoba. To complete the record I shall also table my reply to the premier of Quebec.

Mr. Speaker: Has the Prime Minister leave to table the documents in question?

Some hon. Members: Agreed.

Mr. Pickersgill: Mr. Speaker, for the convenience of hon. members may I ask the Prime Minister whether he would ask to have the documents printed as an appendix to *Hansard* as was his original letter to the premiers?

Mr. Diefenbaker: Yes, Mr. Speaker. My original letter to the premiers was printed as an appendix to *Hansard*. In order to have the record complete I am sure the house will agree that the hon. member's suggestion should be followed.

Mr. Speaker: Does the house agree that the documents now tabled to printed as an appendix to *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: For text of documents above referred to see appendix*].

PUBLIC WORKS DEPARTMENT

PROCEDURE RESPECTING PRESS RELEASES BY MINISTER

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, because it concerns a matter of principle I should like to direct a question to the Minister of Public Works. Has the minister any comment to make concerning a story by Mr. Greg Connolley which appeared in the Ottawa *Citizen* to the effect that an established preliminary to any press releases or conferences by the minister is a private release to a few selected journalists?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, I know the great interest my hon. friend has in questions of principle. For that reason I shall leave his question completely unanswered.

CANADIAN CENTENNIAL

VANCOUVER—RAQUEST FOR FEASIBILITY STUDY RESPECTING COLISEUM

On the orders of the day:

Mr. J. R. Taylor (Vancouver-Burrard): Mr. Speaker, I wish to direct a question to the Minister of Public Works. Because of the presence in Ottawa of the delegation concerned about the joint planning of the C.B.C. operation and the centennial coliseum, would the minister give consideration to a feasibility study to expedite the solution to this problem?

Hon. D. J. Walker (Minister of Public Works): Well, Mr. Speaker, I have manifold duties but I have not yet been assigned responsibility for the C.B.C. nor do I expect to be given that responsibility. I shall, however, be very happy to refer this matter to the Minister of National Revenue.

OLD AGE SECURITY ACT

AMENDMENT TO INCREASE AMOUNT OF PENSION

Hon. J. W. Monteith (Minister of National Health and Welfare) moved the second reading of Bill No. C-54, to amend the Old Age Security Act.

He said: Mr. Speaker, as hon. members will notice from a perusal of Bill No. C-54, the amendment we are proposing to the Old Age Security Act is simple and straightforward. It involves a $10 increase in the universal federal payment bringing the level of the old age security benefit to an all time high of $65 a month. This new level is to take effect as of February 1, 1962. That means the first increased cheques will be in recipients' hands by the end of February.

Mr. Speaker: Order. I wonder whether the minister would allow me to interrupt to clarify one matter in my own mind, at least, and perhaps in the minds of other hon. members of the house. I am interested in ensuring that the bill is available in both English and French notwithstanding the fact that the order paper does not so indicate by the usual initials, E.F.

Hon. members will recall that our rules preclude debate on second reading unless the bill is available in both languages. I am now assured by the table that it is available, but I did not wish the debate to proceed without the house being clear on that question.

Mr. Monteith (Perth): On the matter of the financial implications of this change, I have already indicated to the house that additional outlays are estimated at $113.4 million over the next 12 months. When account is taken of the expected increase in the number of recipients, total federal expenditures under the Old Age Security Act are projected at about $737 million for the coming fiscal year, 1962-63.

This very substantial sum provides striking evidence of the government's concern for the well being of Canada's senior citizens. Nor is our support of senior citizens limited to the old age security program. As hon. members are aware, federal contributions in this regard are also made under the Old Age Assistance Act and the unemployment assistance program. The cost of these two measures is of course shared with the provinces, but the fact remains that the dominion government carries the bulk of the responsibility for meeting the economic needs of the older people of this country.

By way of illustration I might point out that for the fiscal year 1961-1962 total income maintenance payments under old age security, old age assistance and supplementary allowances are estimated at roughly $708 million. Of this amount the federal government is expected to contribute some $666 million or 94 per cent of the total. The remainder will be provided by the provinces and/or the municipalities.

These figures give an indication of the situation within Canada, but I think it is also interesting to see where we stand on the matter of old age income security as compared with other countries. Let us consider the United States, for example. Unfortunately the latest breakdown of United States outlays is for 1959-1960 so the comparison cannot be as up to date as the one I have cited for Canada alone. Nevertheless I think the comparison is instructive.

In the United States, in 1959-60, payments to aged pensioners under the old age and survivors insurance program together with federal-state outlays for old age assistance amounted to 2.66 per cent of net national income. In Canada, for the same year, total outlays on behalf of senior citizens under old age security, old age assistance and supplementary allowances amounted to 2.41 per cent of net national income. At the same time the Canadian figure is somewhat higher than the relative percentage for another federally organized country, namely Australia. In Australia the corresponding proportion of net national income devoted to old age income security in 1959-60 was 2.30 per cent.

The actions now being taken on old age pensions will of course place Canada in a much more favourable position as measured by the relationship of old age income benefits to net national income. They will also increase the differential previously in our favour with respect to rates of benefit. For example, in June 1960 the average benefit being paid to retired single workers under the United States old age and survivors insurance program was equal to 37.2 per cent of personal income per capita. Here I would stress the work "average" because, as hon. members may be aware, the United States program does not have a flat rate benefit but embodies a graduated system with payments to individuals varying over a wide range. In any event, the average paid in June, 1960 was equivalent to 37.2 per cent of personal income per capita. In Canada, by contrast, the rate being paid to all recipients of old age security stood at 42.9 per cent of personal income per capita.

If we take the case of retired workers with wives eligible for pension, we find that Canada's position is even more favourable. In June, 1960 the average benefit payable in the United States under such circumstances was equal to 66 per cent of average personal income. This was considerably lower than the percentage in Canada for a husband and wife both in receipt of old age security. The benefits paid to all couples in this position in our country worked out to 85.7 per cent of average personal income.

Here I should point out that these comparisons do not take into account subsequent adjustments in the United States program and the proposed increases now being put forward by this government. It is anticipated that when the situation is analysed on the basis of data for 1962, the relevant percentages will place Canada in an even more advantageous position.

I trust that I have not burdened the house too much with statistics, Mr. Speaker, but it seems to me that in this case they are the most effective way of outlining a situation which I am sure is of great interest to all hon. members.

In my opening remarks at the resolution stage preceding introduction of this bill I made reference to the relationship between the changes now being proposed and the contributory pension plan forecast in the speech from the throne. Because of the close connection between these matters I should like to elaborate a little further on our intentions with regard to the contributory program.

As the house is aware, the present government was responsible for having a comprehensive report prepared on this subject by Professor Robert M. Clark. Following exhaustive study of this document and other relevant material, it was decided that a contributory old age, survivors and disability insurance program bearing certain similarities to the United States plan should be established as a logical means of completing the structure of systematic provision for retirement income in Canada. This structure already includes the basic old age security pension, the means test old age assistance pension paid jointly by the provinces and the federal government, the supplementary public assistance payments under the Unemployment Assistance Act paid on a needs test basis by the provinces and the federal government, the many existing industrial pension plans, and finally the registered retirement savings plans that have been a special feature of Canadian experience in recent years.

With the current proposal, one could reasonably claim that the edifice will have been completed without detracting from the existing elements of the structure. In a nutshell, our proposal is to complement existing measures through the establishment of a system of old age insurance payments. This is in line with the policy laid down by the Prime Minister on January 13, 1958 as reported on page 3234 of *Hansard*. At that time the Prime Minister stated as follows:

> ... the course to be followed would be that it would be in addition to, over and above, old age security.

The benefits under this projected program will be payable to all contributors on reaching retirement age of 65 years or over, and will vary with the size of a person's contributions during his working life. In cases where a contributor dies or becomes disabled before reaching retirement age, his widow and dependant children or he himself if disabled will be able to draw advance benefits from the credits he has built up in this contributory program. If anyone wishes to receive the benefit at an earlier age, an actuarially reduced benefit may be received as early as age 62. As mentioned at the resolution stage yesterday, this provision is available under the old age and survivors insurance program in the United States.

We have no intention of putting heavy additional costs on private industry. Many private pension plans now in operation are making adequate provision for employees enrolled under such plans. To the extent that existing private pension plans are considered to be satisfactory as compared with the proposed government plan, persons covered under these plans will be exempt from the compulsory features of the new program.

We do not intend to duplicate private pension coverage for Canadians. Any scheme which loads the costs of a public program on top of existing private schemes will be placing a very heavy burden on the competitive position of Canadian industry. Existing pension plans which provide benefits equal to or better than the proposed government plans should be encouraged to continue their operations. When the United States old age and survivors insurance program commenced in 1937, private pension plans were not widespread in that country. Now, 25 years later, we have in this country many private pension plans which must be recognized in any system of nation-wide old age insurance. Under the recent British legislation it was found advisable to permit existing private pension plans which were considered to be satisfactory to continue operation and to exempt persons covered by them from the graduated supplementary old age pension plan introduced by the British government. This is an aspect of the British program in which we are particularly interested.

A further point I might make is that the new contributory system will be financed by

contributions from employers, employees, and the self-employed who come within its provision.

Yesterday at the resolution stage several hon. members made extremely useful contributions to the debate. However, I am afraid that I cannot say this for the hon. member for Essex East (Mr. Martin) and the hon. member for Bonavista-Twillingate (Mr. Pickersgill). As far as some of the statements made by the hon. member for Essex East are concerned, it strikes me that they made him look pretty ridiculous. He made a statement accusing the government of competing for votes.

Mr. Martin (Essex East): Hear, hear.

Mr. Monteith (Perth): Mr. Speaker, I should like to draw your attention to the Liberal platform which was issued a few weeks ago and which claimed to have all the answers. They felt they had all the answers. However, on January 30 the hon. member for Essex East made a statement at a luncheon meeting at the Chateau Laurier hotel during the Liberal conference, and the whole plan was changed considerably. I should not say that all details were changed, but certainly it was a different plan.

Mr. Martin (Essex East): It was not a different plan, and you know it.

Mr. Monteith (Perth): Certainly the answers are different.

Mr. Martin (Essex East): Not at all. You did not read it.

Mr. Monteith (Perth): They claimed to have all the answers in their first pamphlet but now they come back with another statement. They are different answers.

Mr. Martin (Essex East): Not at all.

Mr. Pickersgill: It seems to worry you a lot.

Mr. Monteith (Perth): I should like to know who actually has been doing the competing for votes. I do not know how anybody could be more inconsistent or more competitive for votes. To me this simply indicates no sense of responsibility whatever. Incidentally, Mr. Speaker, this type of thing reminds me of the Liberal promise in 1919 concerning hospital insurance, which finally came to fruition 38 years later. While the actual hospital insurance act was passed when the Liberals were in power, it fell to the Conservatives to implement it.

There is another reference I should like to make. When the hon. member for Essex East was speaking on the resolution yesterday he indicated that the Liberal party was putting forward a plan that was responsible and involved no further taxes, but would be paid for out of the contributions of individuals. I do not know just what this means. I claim it is only a play on words. Whether the program is provided for from ordinary revenues, from earmarked taxes or from payroll taxes, somebody has to pay for it. These are all levies imposed by parliament. In my view the performance of the hon. member yesterday was simply one of desperation.

Much has been said about the constitutional issue and I am sure more will be said before the debate is finished, but I should like to place on the record again a paragraph which formed part of my speech yesterday. I said then, as found on page 531 of *Hansard*:

> The constitutional question may be raised. When the Liberal government was considering the introduction of unemployment insurance in 1940 the prime minister of the day wrote to the provinces and consulted with them concerning an amendment to the B.N.A. Act. All provinces agreed, and an amendment was obtained stating beyond doubt that the authority for such a program was within federal jurisdiction. Again, in 1951, the Liberal government sought an amendment as a basis for the introduction of the old age security program, and a mutually satisfactory amendment was worked out.

The present government follows the same procedure, Mr. Speaker, and we hear objections. The Liberals say it is not necessary for us to consult the provinces. If the Liberal party is not concerned with provincial rights and due regard for the constitution, that is a matter that I think should be brought before the public now. The program that the government proposes to place before the house involves the provision of benefits to widows, dependant children and disabled persons under a social insurance plan.

The Liberal party issued a pamphlet some weeks ago which claimed to have all the answers, but they have different answers now. I am not too sure whether this clause should be considered part of their platform but at any rate one plank, shall I put it, was the provision of pension benefits to those who are disabled before retirement age, and to widows and orphans. As I understand the situation, that coincides exactly with our plan.

There is no doubt that the advice we have received from the law officers of the crown is simply to the effect that the present section 94A of the B.N.A. Act does not encompass such benefits. Contributory old age pensions as such may be covered, but not benefits for disabled persons and for widows and orphans. I claim that these two gentlemen who spoke yesterday for the Liberal party indicated clearly that they had not read the Clark report. I do not think anything could be clearer from a reading of their speeches.

There will be more speeches today, and I propose to say a few words in reply at the end of the debate. I claim that this is good,

sound, sensible legislation. It is going to be of great benefit to more than 930,000 Canadian citizens, and I should like to commend the bill for early passage by the house.

Hon. Paul Martin (Essex East): Mr. Speaker, every time the Minister of National Health and Welfare makes a speech one learns more and more about his amazing technique and his day to day knowledge of the problems that come under his administration. He gave us more details today about a plan that is not yet in existence, but which the government seems now, at long last, at least to have in the back of its mind as something that some day it might do if perchance it ever has the opportunity again.

The minister certainly reflected the dilemma in which members of the government find themselves when they come to examine the record of the various Liberal governments in the field of social welfare. They have to go back to 1919 to try to find whether promises made by a Liberal administration have been fulfilled. Of course this is not a new disc. One hears it in the house from time to time, emanating from ministerial benches, but it is significant that they never complain about failure of Liberal governments under Mackenzie King or under Mr. St. Laurent to implement promises made in the area of social legislation.

There is no complaint by hon. members opposite that the Liberal party failed to carry out the assurances given by Mr. Mackenzie King in 1925 as to his intentions regarding old age pensions. Hon. gentlemen do not complain, nor do they find any justification for saying that Liberal governments failed to implement promises in the field of family allowances or with regard to old age assistance or blindness allowances. They could not under any circumstances, of course, make any charge about non-fulfilment of promises with regard to disability pensions because no such promise was made by a Liberal government. It was after Mr. St. Laurent's return to office the second time that he caused the Disabled Persons Act to be introduced in the house, which has provided assistance to so many people in this country and in connection with which we are to be happily confronted with an amendment some time later during the course of our proceedings.

Nor do we hear any complaint from the government side that the Liberals have brought forward legislation to assist the provinces in carrying out their constitutional obligations in the field of health care. It will be remembered that in 1945 the federal government put before the provinces what has been termed a package deal. This was a program covering health and welfare, a comprehensive program most of which has since been realized. There was no obligation on the part of the government of Canada in relation to any promise that it had made to make grants in aid to the provinces, to assist them in laying the foundation for a health insurance system in this country.

One could cover the whole area of health and welfare activity and one would not find that hon. members opposite have ever complained about the lack of the Liberal government in the fulfilment of its promises. I believe, sir, that is a record of which we may well be proud in this party. We take the view that promises made to the Canadian people during an election, or during the course of the fulfilment of an official obligation on the part of various ministers and of the government as a whole, are solemn promises that must be respected by those who make them. We do not take the view once expressed by the Minister of National Revenue in this house that there was a difference between a commitment made by a government to parliament and a commitment made by government to the people of Canada during the course of an election. The latter kind of promise the Minister of National Revenue, in his characteristically able manner, suggested was a promise that no government had to keep. This is not the view of the Liberal party. What I have said about our fulfilment of promises in the field of health and welfare supports what I have said about our respect for our commitments to parliament and to the people of Canada.

I wish I could say the same thing for this government. We have had an example today, through the admission of the Minister of National Health and Welfare, that his government has not fulfilled a solemn promise made to the Canadian people. Perhaps last night the Minister of Labour let the cat out of the bag. After I had recited some of the essential features of the plan which the Leader of the Opposition had enunciated on January 5, the Minister of Labour indicated clearly what was in his mind, what was in the mind of the Prime Minister and his colleagues, with regard to the pledges which they put forward in this field to the Canadian people. The Minister of Labour exclaimed "Election promises." This is exactly what the government is thinking, that is the context in which they place their views of social welfare in this country; election promises.

The most outstanding election promise made by this government in the field of social welfare was with regard to a program that has so obviously agitated the Minister of National Health and Welfare and has caused

wide wonderment. Yesterday when he was introducing a simple amendment which we support, as we do this bill, involving an inadequate increase in the universal old age security plan he went on, not to talk about that increase, but rather to indicate that it did not have the same significance as the contributory plan. He went on to talk about that plan, not the plan of the government but the plan the Liberal party put forward on January 5.

He gave us some details of that plan. He also gave us some criticisms of the plan put forward by the Liberal party which would establish a national minimum pension of $75 a month, not $65 as is proposed by this bill. This plan would be based upon contributions by the Canadian people which would result in much larger pensions, which would be paid for by contributions by Canadian citizens. Then today we had an amazing tour de force on the part of the Minister of National Health and Welfare. He came back again to our plan. He did not discuss the bill. I do not believe the minister said five sentences about the bill that is immediately before the house. What did he do? He talked about the Liberal contributory plan, the plan that is going to give the Canadian people a national minimum pension of $75. That is the plan about which he talked today. He talked about it at greater length even than he did yesterday, and clearly established in the minds of all of us the apprehension and agitation that has taken hold of those who sit on the ministerial benches.

They do not like this plan because they know that, placed alongside what the government is now proposing, this plan put forward by the Liberal leader will commend itself to the Canadian people as a more comprehensive way of dealing with the problem of old age security in this country. Not only did he discuss our plan in greater detail, but he discussed in greater detail the kind of plan which was envisaged by the Prime Minister in November, 1957, as well as in the months of January and February, 1958, when he made the solemn commitment to the Canadian people that his government would forthwith introduce a national contributory scheme modelled on the lines of the social security system in the United States.

He talked about that today in greater detail than he did yesterday. Why did he do this? Why did he not tell the provinces, why did the Prime Minister not tell the provinces, some of the details of that plan when he wrote to them in the month of January asking for concurrence in the constitutional amendment to enable the government to introduce a contributory scheme? Why did the Prime Minister not tell the provinces the details which we were given today in greater precision? I suggest that the reason is obvious. The government has no detailed plan. The only plan the government has evolved since is one that was evolved under pressure, because of the exposition of the Liberal plan to provide for a national minimum pension, as enunciated by the Liberal leader on January 5.

Today the Minister of National Health and Welfare has given us more details than he did yesterday only because, after reading the morning newspapers, after listening to television and radio, he found his own plan had been engulfed and overwhelmed by public interest in the Liberal plan. Then he found it necessary, and I suspect at the bidding of the Prime Minister, to talk more glowingly, more eloquently, more vigorously about something that may come some time in the uncertain future. This is the situation in the face of the fact that this government has caused to be prepared the report on economic security for the aged in the United States and Canada by Dr. Robert M. Clark, which was presented to parliament in two volumes in 1959.

We all know the circumstances under which that report was made. These circumstances were outlined last night. If I may remind hon. gentlemen, we were told that the Prime Minister had indicated to the Canadian people and to parliament that he was anxious in 1958 to adopt a system similar to the social security plan in the United States; that there was going to be a careful study. Notwithstanding the attitude taken by the Minister of Finance, notwithstanding the attitude taken by the Prime Minister in 1958, notwithstanding the advice officials in the Department of National Health and Welfare may have offered, the government was going to make a study and that study would be followed by action by this government. The unfulfilled promise in the field of social welfare for which this government must stand indicted, is that of causing the Canadian people to believe it was going to bring forward a plan based on the Clark report. Now all we get from this government and this active Minister of National Health and Welfare, just on the eve of an election, is a portrayal of some vague conception the government might have with regard to something that it might do in the uncertain future regarding the adoption in Canada of the old age security and survivor system implemented in the United States.

Well, Mr. Speaker, promises made to the Canadian people are not to be respected. The Minister of National Revenue said there is a difference between a promise made to parliament and a promise made to the Canadian people, and the Minister of Labour said

"an election promise". Is this vague recital of a plan, whose soul will take on form in the long distant future, to be regarded simply as a promise? I say that the Minister of National Health and Welfare holds a responsible position under the crown, a position which in this country has attached to it the respect and authority which parliament has conferred upon it.

This government has treated the aged people of our country in an irresponsible manner, such as has rarely been exhibited in the parliament of Canada, and no one has done that more than the right hon. Prime Minister. Today, on the second day of this debate, he tabled letters which he should have tabled yesterday. If the consent of all the premiers had not been received, certainly consent from at least the majority of them had come in, and we should have been afforded the opportunity of examining those letters for the purposes of our discussion yesterday, letters which were reluctantly tabled by the Prime Minister.

Today we find some of the premiers taking the position that they would like to examine the proposal put forward by the Prime Minister of Canada with regard to a proposed amendment that might lead to the establishment in this country of a system somewhat similar to the social security plan in the United States. Here is what the premier of Quebec said, among other things, in his letter to the Prime Minister of Canada on January 24:

(Translation):

I sincerely believe it to be essential that your government supply the provinces with the details of your plan before asking them to propose to their legislatures that they agree to a constitutional amendment.

(Text):

What is the premier asking? He is saying "before giving our consent we would like to know what it is you want to do; we would like to have some idea of the plan you have in mind; we would like to have some precision as to the kind of amendment you seek." It well may be that the premier of Quebec and other premiers would take the position that the amendment obtained in 1950 to the British North America Act, section 94A, was wide enough to permit the federal government to embark upon a contributory plan, even along the lines so vaguely conceived and projected today by the Minister of National Health and Welfare. Why were the provinces not given at least the details which the minister gave yesterday? Certainly there could be no justification for not giving the further details he gave today with regard to what the government had in mind concerning the adoption of a system similar to that in the United States, the United Kingdom and the Scandinavian countries.

The reason is that in spite of the Clark report, in spite of the promises of the Prime Minister, in spite of the lapse of four years, he has waited until this time to give precision to something which he said he had in his mind and heart in November, 1957, and upon which he later elaborated on January 18, 1958. Let the Minister of National Health and Welfare not talk about promises. Let him not belittle the plan that was enunciated by the Liberal leader on January 5; because that plan, based upon careful consideration and study and supported by the evidence and documentation in the Clark report, is a responsible scheme which the Canadian people are demanding, and for which they supported the Prime Minister when, during the election of 1958, he told them he was going to supplement the existing universal system with a system similar to that in the United States.

The Minister of National Health and Welfare, in bringing forward his proposal today for an increase under the Old Age Security Act, neglected to say something which he neglects to observe on all occasions, that once again he was bringing in an amendment to an act introduced by a Liberal administration. He neglected to say that the Old Age Security Act is the only act of its kind to be found in any country in the world, that it is the only act which provides for the elimination of a means test. It is the only old age security act which extends benefit to all Canadian citizens when they reach the qualifying age of 70 years.

The minister spoke as though the Old Age Security Act, bringing benefit to the limited extent it does to over 900,000 people, was a product of the present administration. My hon. friend nods his head, and I can only take by that action that the hon. gentleman has no concept whatsoever of the basic act of which this is a modest and wholely inadequate amendment. I can only conclude when the minister nods his head that he fails to appreciate that as a result of the initiative taken by a Liberal government, acting upon the recommendations of an all-party committee in this house, it introduced a measure under which at that time almost 800,000 Canadians received beneficial consequences. Now, even when he says there are over 900,000 people who receive assistance under that act, why does he not tell us that when he took office as minister, almost that number of people were receiving assistance under the Old Age Security Act? He does not do that, Mr. Speaker. This government is not reluctant to take credit, not only for its own

abbreviated achievements but also it takes credit for the achievements of its predecessors.

Did not the Prime Minister make the boast that under his prime ministership and his government there had been established, for the first time in Canada, an all round social security program? However, the fact is that his government has not brought in, as I mentioned yesterday and as I repeat today, one single act except by way of amendments to acts that were introduced by Liberal governments.

The minister went on today to talk about further assistance which the government has in mind under the Old Age Assistance Act. I do not know what that had to do with this bill, but the minister devoted a considerable portion of his statement to this aspect. However, he also neglected to say that it too owes its parentage to a Liberal administration. He neglected to say what I invited him to say last night, that by the passage of the Old Age Assistance Act, in the absence of agreement among the provinces, this parliament was doing no more than to declare by way of statute its willingness to increase its share of the basic amount which it pays to the provinces thereby trying to create the impression that not only has the government brought in an amendment to the Old Age Security Act but that it has brought forward assistance to those between the ages of 65 and 70. The minister was not able to tell us what was the attitude of the provinces with regard to this matter. I hope the provinces will agree. Until they do agree, not one cent will go into the pockets of those who come within the age group 65-69 under the Old Age Assistance Act.

Mr. Spencer: Nor under your plan.

Mr. Martin (Essex East): Of course not, but we do not give the impression—I say this in answer to the hon. member from Essex West—that what this parliament does in respect of an assistance program automatically involves financial benefits to the people in question. The Minister of National Health and Welfare should have met that point if he did not want to deceive the Canadian people. The fact is that some newspapers have already mistakenly suggested that this government is going to put money into the hands of those within this age group, when such is not the case. I ask the Minister of National Health and Welfare to tell us now, when are the provinces going to be called together to discuss this old age assistance program? Or is the government going to await their approval by letter.

Mr. Monteith (Perth): I shall be happy to answer the hon. member. The representatives of the provinces are not going to meet together to discuss this. When the legislation is passed in this parliament they will have the opportunity to put their own legislation into effect, and certain provinces have already indicated that they intend to do so. Thus the hon. member's statement that this measure will not affect the people of Canada is entirely wrong.

Mr. Martin (Essex East): Very well. Now we are getting somewhere. Last night we could not elicit from the minister even an acknowledgment that the question existed.

Mr. Monteith (Perth): No. I said last night I had notified the provinces.

Mr. Martin (Essex East): Now the minister says some provinces have indicated approval. That is fine. It is not necessary for them to assemble in full conference, of course. However, that is the better way. That is what we did in 1946. We called the provinces in and told them what we were going to do not only in the field of old age security but in regard to old age assistance as well. We gave them an idea of our views as to what the amount of outside income should be, why we were embarking on the payment of an additional amount of assistance, and so on. According to this government all it has now is a letter which by the way, has not been produced.

There is another example of the government's reluctance to take the house into its confidence. Why should not the minister produce this correspondence to which he has just made reference? Why should he not do that without waiting for an invitation? Why does he not let us know which provinces have agreed, together with the terms on which they have agreed, so that we might be able to ascertain whether those provinces which make low supplementary payments are among those who have agreed to participate? But no; nothing of the sort has been forthcoming from this government, simply because we have in office at the present time an administration which has a tremendous capacity for dramatization, a tremendous capacity to convey the idea that it really has done what it has not done. That is all the government is, dramatis personae personified.

The hon. gentleman said that in the United States they do not have a universal scheme. That is true. In the United States they have a scheme of grants to individual pensioners in addition to the social security system. These grants are devised by each state. What is the meaning of that in relation to this legislation? It is simply this; that Canada, back in 1950, took an initiative which has not been paralleled by any country in the world, including the United States. It was not the present government which took that initiative.

What the minister should have done today, and what I invite him to do before this discussion is over, is to tell this committee frankly why no action has been taken on the Clark report. That is the question. Does the minister deny that the Prime Minister gave an assurance during the course of an election campaign that he would embark upon a social security system for Canada similar to that which exists in the United States? Does the minister deny the reports in the *Globe and Mail* and elsewhere to that effect? Does the Minister of National Health and Welfare believe for one moment that he, for his part, can hope to establish good faith, in so far as that is ascertained by the members of this house or by the Canadian people, when he delayed so long in telling this house when he had received the Clark report, and when he delayed so long in announcing government policy with regard to that report? Can the minister sit there oblivious of this challenge, unwilling to explain to this committee and to the country, on the eve of an election, particularly, why the government has not acted with regard to something which the Prime Minister said was dear to his heart and which was before very long, before four months had gone by, to become part of the law of the land?

Well, I have an idea why the minister should be unwilling to give us an explanation. I mentioned one aspect of this yesterday, and I shall mention it today in greater detail. I have one idea why this government has not embarked upon a social security system similar to that of the United States. After all the Minister of Finance is still a member of the government. There was some doubt a few weeks ago as to whether this was the case. The hon. gentleman made a very difficult and heart-searching trip to the capital of the province of Quebec under circumstances which, I am sure, no other minister of the crown in Canada's history has ever taken. There were stories in the newspapers for many days that he was about to take over the portfolio, now so gloriously administered by the present Minister of Justice. Other stories suggested that he was going to leave the cabinet. He was supposed to have engaged in indiscretions at Accra; he was supposed to have engaged in public brawls with representatives of other countries in a way that endangered the prestige of the government and of the people of Canada.

It is known, of course, that the same minister had got into some difficulty with the former governor of the Bank of Canada and, unfortunately, the Coyne-Fleming issue had created such a distaste in the public mind that in normal circumstances it is understandable that the Prime Minister should find himself a little embarrassed by these examples of indiscretion and imprudence on the part of one of his principal ministers.

That may be the case but surely, under our system of government, the essence of cabinet action is solidarity. Solidarity, in turn, depends on unity, and if there is public knowledge of disunity, that disunity must be removed forthwith. The way to remove it is for the head of the government to say, as I believe the Prime Minister should have said in this instance, "These stories are false; the Minister of Finance is a good minister of finance; he is not going to be demoted; he is not being shifted to the ministry of justice". I say this with all apology to the present Minister of Justice. I hope he does not regard this as a reflection upon the priorities which obviously have been established—

Mr. Fulton: I am not taking you seriously at all.

Mr. Martin (Essex East): Of course not. The trouble with the Minister of Justice is that he takes few things seriously. But he should take this seriously, because the Minister of Justice is part of this story.

Mr. Fulton: Well, I have a sense of humour—

Mr. Speaker: Order. There is a certain amount of commotion which, perhaps, is not uninvited by the hon. member's lengthy digression from the bill.

Mr. Martin (Essex East): No, what I was going to say has a very great bearing on it, because the Minister of Justice is part of the story. That is for another chapter—

Mr. Fulton: Fable, you should call it.

Mr. Martin (Essex East): I consider that if the Prime Minister wished to create a sense of confidence in the Canadian people and in the executive arm of goverment, he should either have caused the Minister of Finance to have been dismissed forthwith or he should have repudiated at once any suggestion that he did not have confidence in that minister of finance. I have an idea that it was not only the Coyne affair, not only the indiscretion at Accra; it was because within the cabinet at that time important discussions were taking place as to whether or not Canada should embark on a social security system on the United States model such as the Prime Minister had said we were going to have in Canada; and because the Minister of Finance, through the words I am about to quote, stands as an opponent of the adoption of the kind of social security system they have in the United States.

If these are not his views the hon. gentleman will have an opportunity of denying it later, but as one holding the key position as minister of finance he may be regarded as

the real reason why this government even at this late date has not brought forward proposals or legislation based on the United States social security system.

Let us examine what the present Minister of Finance said in this house on October 25, 1951—

Mr. Fulton: Would the hon. member permit a question? I do not recall; was my hon. friend a member of that all party committee at that time? I believe he was.

Mr. Martin (Essex East): Once again the minister is wrong. Unfortunately I was not. The Minister of Finance on October 25, 1951, as reported at page 392 of *Hansard*, said:

> There are those outside the house who have expressed some regret that the orthodox contributory system on the insurance basis has not been introduced. They point to the system which has prevailed in the United Kingdom as probably the leading precedent.

I observe, Mr. Speaker, that you are greatly interested in what I am about to read:

> Undoubtedly great benefit is to be associated with the idea of bringing home to every individual the fact that the benefit he receives upon attaining the necessary age has cost money, that he has had to pay his share toward it, and has earned it as of right. Any weakening of that principle is something the committee viewed with some measure of apprehension. Nevertheless, in the final analysis, if I correctly understand the feelings of the committee as expressed in the course of our lengthy discussions, the factor which led the committee to reject the insurance system was that necessarily it would have been incomplete in its operation in our country, that it could not possibly have extended to even half of those to whom the universal system will extend, and that it would have become absolutely necessary to provide for others, no doubt in substantial numbers, by a continuation of the assistance program. That, in turn, would inevitably have involved the continuance of the means test.
>
> The committee, in the face of this and other considerations, arrived—and I think soundly—at the decision to recommend the universal pay-as-you-go-system. It has the advantage of simplicity from the administrative point of view. That, sir, is one of the features about the present proposal that I suggest is entitled to the highest measure of commendation.

The Minister of Finance expressed his concern about the United States social security system in public speeches made throughout the country. I am not saying they were not sincere; I am simply saying that was the view of the Minister of Finance.

Mr. Fulton: It was the view of the committee.

Mr. Martin (Essex East): Yes, of course, it was also the view of the committee at that time.

Mr. Fulton: It was a committee on which Liberals formed the majority.

Mr. Martin (Essex East): Yes, the minister is right again. The Minister of Justice is doing well today. The fact is, however, that those were the views of the Minister of Finance, but at that time those were not the views of the Prime Minister because, earlier than 1957, speaking in this house on old age pensions the present Prime Minister expressed a view strongly in support of the United States social security system.

This year, even though we do not have a budget, the Minister of Finance is going to be faced with a possible deficit of close to or greater than $1 billion. Undoubtedly those considerations would be in his mind if he continued to take the view which he took in 1951 and which he expressed at other times throughout the country. I suggest it is open to the Minister of National Health and Welfare, the Prime Minister and particularly the Minister of Finance to deny that the latter is a stumbling block.

What I am trying to do now is find some reason why this government, having had the Clark report in its hands for four years, has not come forward with a positive enactment, which would enable all parties in this house to join together in establishing an old age security system based on the full principle of contribution, one which would discourage the kind of undignified auctioneering in which some political parties are presently engaged.

An hon. Member: Your own indictment.

Mr. Martin (Essex East): Hon. members opposite laugh. Their only good fortune these days is to laugh. Perhaps before too long they will have an opportunity of doing something else.

Mr. Pallett: Cheering.

Mr. Martin (Essex East): But the fact is that this contributory scheme which was outlined by the Liberal leader will, once it is enacted—and it will be enacted by a Liberal government at the earliest possible moment after we take office—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): —that scheme will have in Canada the consequences similar schemes have had in the United Kingdom, the United States and elsewhere. The plans in those countries have discouraged the competitive demands that have been made by governments and political parties with no sense of responsibility whatever. We have witnessed that on the part of hon. members who compose the government of Canada at this time.

The Minister of National Health and Welfare today paid more attention to our plan than he did to the bill before the house.

Mr. Pigeon: Mr. Speaker, would the hon gentleman permit a question?

Mr. Martin (Essex East): Surely. I have all day.

Mr. Pigeon: Would the hon. gentleman state why his leader is opposed to an increased pension of $65 a month?

Mr. Martin (Essex East): My leader is not opposed to increasing the pension. My leader was the spokesman for the Liberal party when he enunciated our plan that will provide not $65 a month but a national minimum of $75 a month.

Mr. Pigeon: He is against it.

Mr. Martin (Essex East): It is obvious, Mr. Speaker, that this process of educating, in which I am currently engaged, has come not too soon if I correctly understood the implications of the question asked by the hon. member for Joliette-L'Assomption-Montcalm.

The scheme outlined by the Leader of the Opposition will make it possible for all Canadians to take part in a contributory pension plan geared to the growth in our economy. It will not require any addition to taxes because the plan calls for a payment of benefits out of contributions that will grow during the first ten years, enabling the giving of pensions in larger amounts, proportionate to the earnings of the contributor. Added to the existing federal old age pension this plan will establish a new national minimum of $75 a month for a retired person at age 70 and $140 for a married couple. Even the hon. member for Joliette-L'Assomption-Montcalm will some day, when he grows older, qualify under this plan introduced by the Liberal party.

The minimum for retired people aged 70 or over makes provision for those who have not had the opportunity to contribute under the Liberal plan. The size of pensions will rise year by year, as people retire after contributing to the new plan. Full pension rates—a good proportion of most people's earnings—will be reached in ten years. These pensions will be available from age 65.

We can speak with some authority in this matter because it was Liberal governments that introduced the universal old age pension and, in co-operation with the provinces, made old age assistance available to people between 65 and 70 who are in need.

Our plan is a supplement to private saving. The minister spoke of private saving and private pension plans. While many companies now have good pension schemes, the majority of the working population is not covered by them. There are other problems as well. While younger people can build up good pensions by the time they retire, new private plans cannot enable older workers to do so at contribution rates they can afford. Also, workers who lose or change their jobs are liable to lose pension rights. This is a serious obstacle to people moving between jobs and is therefore bad for economic efficiency as well as for the individual. Such problems, in the context of our modern industrial society, must be met and dealt with. As people live longer, the assurance of an adequate income during retirement becomes more and more important to us all.

I want the Minister of National Health and Welfare to follow these details and to contrast them with the very nebulous and uncoordinated plan which he so vaguely enunciated today, perhaps because it is vague. I want him to consider why it was not possible, when he had access to the same information in the Clark report to which we had access, to bring forward at this time, if not in 1959 when it should have been brought forward, a contributory scheme based on that in the United States and so strongly advocated by the Prime Minister.

When our plan is in full operation the pension each person gets will be related to what he has contributed. That is why I said it does not involve any rise in taxes. As in most private plans, contributions will be made by wage and salary earners and also by employers on their behalf. When a man changes his job his full pension rights will move with him. Contributions will be a small percentage of earnings. People who are self-employed may join the plan, which will be well worth while for most of them. Everyone will be able to choose between taking the pension at age 65 or waiting and taking a larger pension at age 70.

Today the minister spoke about this projected plan of his as one providing an opportunity for people to begin to take pensions at age 62. That is the provision in the United States. He did not explain how that would be done, nor did he mention what I pointed out last night, namely that our old age assistance scheme provides for old age assistance pensions to widows and unmarried women at age 60. No comment was made by the Minister of National Health and Welfare on this feature. He seemed to be overly obsessed with our contributory scheme and to have overlooked some of the other incidental results.

There is another feature of our plan that the minister has failed to note. He will be bringing in shortly a resolution to provide for an increase in the basic amount of disability pensions. He said nothing about what this scheme of ours will do in regard to disability pensions. He of course said nothing about the fact that it was a Liberal government under

Mr. St. Laurent that brought in disability pensions and provided assistance to over 60,000 individuals in this country, a program that was never promised to the Canadian people—

Mr. Speaker: Order. Does the hon. member not think that it would be more proper to debate disability pensions when that resolution is before the house? After all, the matter under consideration is old age pensions. I have certainly not restricted the hon. member, but I think he is going beyond the scope of the matter under consideration.

Mr. Martin (Essex East): The plan I am outlining is part of this proposed plan. It is a matter referred to by the minister. We are providing for earlier pensions to be made available to anyone who is disabled before reaching retirement age under the countributory plan.

Mr. Speaker: Yes, but the only things that would be relevant in the plan the hon. member is discussing are the matters that relate to old age pension.

Mr. Martin (Essex East): I am dealing with the speech of the Minister of National Health and Welfare who discussed our countributory plan and who made misstatements about it. I am now putting the plan properly on record.

Mr. Speaker: The hon. member cannot be replying to the minister with respect to disability pensions, as he complained that the minister did not mention them and then proceeded to do so himself. I think the hon. member should come back to the matter that is under consideration.

Mr. Martin (Essex East): In view of your observations, Mr. Speaker, I agree that technically that may be the case. But since our contributory plan was discussed and since the minister overlooked mentioning one important feature of it, I thought I was within my rights, as I strongly believe I am. However, I will not continue, as I think the important point has been made and I hope it will be observed by the minister.

Both contributions and pension benefits will apply only up to a moderate level of earnings. The Liberal plan will not operate to benefit rich people who do not need government action. It will not discourage private pension plans or other saving for retirement by those who can afford more. There will be good reason for continued saving in all forms. Among people with moderate incomes there will be a particular incentive to organize private pension plans for earlier retirement.

Then we go on in this plan to provide, as I indicated earlier, assistance to those between the ages of 65 and 69. Those are the features of this plan which the minister in his criticism has failed to underline. He failed clearly to establish that we were providing a national pension plan to which the individual would contribute according to his earnings. He failed to point out that from the fund that would be created there would be paid a minimum supplementary pension of $20 a month at age 70, making the total federal pension $75 a month for a single person and $140 for a married couple. He failed to point out that, in co-operation with the provinces, this plan indicated we were ready to increase old age assistance not to $65, as is proposed by the government, but to $75 a month, and that we were prepared to make old age assistance available to unmarried women and widows at age 60; and that we were prepared to pay supplementary old age assistance of $20 a month to a married woman at age 70 and over in cases where the $140 a month pension available to a married couple left them in need of further assistance.

He failed to point out that under our scheme which he criticized it was proposed to pay to those retiring after contributing to the fund, pensions which would rise during a 10-year transition period until they equalled a good proportion of the earnings of each man or woman while working. He did not say that the individual would be enabled to choose between a pension at age 65 or a larger pension at 70. He failed to point out that we would provide pension benefits to those who were disabled and to widows and to orphans.

I withdraw that statement. He did mention that our scheme dealt with widows, survivors and dependants, but he sought to establish that, because of that fact, the present section 94A of the British North America Act created a situation which meant that this parliament was not competent to provide for such a scheme.

With regard to that problem I can only repeat what I said yesterday and now say in the presence of the Minister of Justice. I can very well understand that there might be some difference of opinion and judgment as to whether all parts of this contributory scheme put forward by the Liberal party are in compliance with our constitutional provisions. I can only say, as I established yesterday, that responsible legal opinion in this country, the opinion of those we have consulted, is that there can be no question of the constitutionality of the simple pension on a contributory basis following the United States pattern; and that under the aspect theory there can be no doubt about the constitutionality of pensions to survivors or to dependants. The Minister of Justice (Mr. Fulton), who may or may not speak on this matter,

knows, of course, the cases of Hodge *v.* the Queen, Tennant *v.* the Union Bank, Grand Trunk Railway *v.* Canada, Proprietory Articles Trade Association *v.* Attorney General for Canada and others, all of which deal with the aspect theory and which hold that subjects which in one aspect or for one purpose may fall within section 92 may in another aspect or for another purpose fall within section 91 of the British North America Act.

But having said this I admit that there may be room for a difference of opinion. If it is argued by the law officers of the crown that this scheme is outside our competence I am sure the government cannot take the position that to provide a pension for an individual is unconstitutional. I have before me the letter of the Prime Minister (Mr. Diefenbaker) addressed to the provinces on the 17th of January, and in the fourth paragraph the Prime Minister says:

> The law officers of the crown advise me that this authority would permit parliament to enact a contributory, graduated old age pension plan but would not permit the inclusion of benefits payable under certain circumstances to widows and children, nor to contributors who become disabled before they are old.

The Prime Minister says there clearly and unmistakably that at least one aspect of this project is constitutional. It is, he says, within our constitutional competence "to enact a contributory, graduated old age pension plan", apart altogether from the benefits to survivors, dependants and disabled people.

I simply ask the Prime Minister this question on the basis of this statement in his letter. If it is clear that there is no doubt about the constitutionality in this one particular, what excuse can the government offer now for not having proceeded at least with regard to that aspect of the problem under section 94A of the British North America Act. If there is a valid reason for not proceeding with regard to that one particular then I say to the government, what excuse can it possibly offer for telling us only in the month of February, 1962, that there is this constitutional impediment? Why could we not have been told that last September? Why were we not told it last July when we were discussing pensions under estimates of the Minister of National Health and Welfare, and when I outlined the kind of scheme envisaged by the Liberal party at the national Liberal convention in 1958? Why were we not told in 1959? Why were we not told in 1958 by the Prime Minister who said, "We are going to have a study made of this whole business and then we are going to enact legislation in this parliament based on the social security system in the United States"?

The government will not be able to hide behind this constitutional impediment, if such exists. It has had all the time in the world to consult with the provinces, all the time in the world to bring forward an amendment. The only reason I can possibly see why they have not taken this step is that the Minister of Finance (Mr. Fleming) is still in charge of the government and is still the boss. He is not the prime minister but because of his well known views about contributory pensions he was able to cause the government to postpone month after month, year after year, something that the Prime Minister said in 1958 we were going to get at the earliest possible moment once his government came into being.

The Minister of Justice (Mr. Fulton) is here today. I ask him to consider whether a plan involving contributions by employers, employees and self-employed to a national fund for the purpose of providing a simple pension is not within our constitutional rights, whether such a plan providing for the payment of benefits at 65 or 70, ultimately scaled to contributions, is not within our constitutional rights. I ask him to tell us what constitutional difficulty arises out of a provision for an interim increase and adjustment of existing old age pensions and, in co-operation with the provinces, the provision of plans for old age assistance. What constitutional difficulty is there with regard to the payment of benefits to persons permanently disabled and prevented from working until retirement age? If there is one, why were we not told that three years ago?

So I say, Mr. Speaker, with full confidence in what I am saying, that we in the Liberal party in bringing forward this plan have taken a responsible step, a step that will not only provide more than $65 a month as envisaged by this bill, which we support, but will provide a national minimum of $75 and will provide increasing amounts to Canadian citizens in the years to come after the fund has gone through a period of maturity.

I live in the city of Windsor, on the Canada-United States border. The Minister without Portfolio (Mr. Halpenny) from London lives not far away. Those of us in that area are familiar with the United States plan. We see individuals living in Windsor who have worked in Detroit and are drawing pensions as high as $300 a month. This is the kind of plan which the Liberal party is proposing, a plan that does not add one cent to the obligations of the government of Canada or to the Canadian taxpayer as such, a plan that is paid for out of contributions by the

beneficiaries of the plan. Some may say, why did you not bring that plan forward when you were in office?

Mr. Monteith (Perth): Is the employer not going to make a contribution under your plan?

Mr. Martin (Essex East): Of course he is. I thank my hon. friend for mentioning that.

Mr. Monteith (Perth): Then it is not going to be a payroll tax?

Mr. Martin (Essex East): No, I said it would be subject to a payroll deduction plan just as hospital insurance is. There is no other way.

Mr. Monteith (Perth): And the employer is also going to pay something.

Mr. Martin (Essex East): I remember when we brought in the hospital insurance act in this house and the criticisms that were made when we suggested that a payroll deduction scheme was going to apply to a portion of those in the Canadian community who had made possible this hospital insurance scheme. I remember the forebodings in the minds of the social-minded members of the Conservative party at that time. I well remember that. Today the hospital insurance legislation introduced in this house in 1957 by the Liberal government and supported now by the ten provinces has resulted in a hospital insurance scheme that has won the commendation of almost 100 per cent of the Canadian people.

Mr. Monteith (Perth): Implemented by the Conservatives.

Mr. Martin (Essex East): I am not denying that my hon. friend did something. My hon. friend and his colleagues became the government, of course, and he carried out the work that had been laid before him.

Mr. Monteith (Perth): Made possible because of an amendment.

Mr. Martin (Essex East): But when my hon. friend talks about being the author of hospital insurance—

Mr. Monteith (Perth): Made possible by an amendment.

Mr. Martin (Essex East): —I think of Bonar Law, Lloyd George and Mr. Churchill and the 1910 hospital insurance plan in Great Britain, and I find that the hon. gentleman reminds me more and more of these three gentlemen. I say that before many months are out, when we get over there and form the government and bring in a contributory pension scheme, I have no doubt that our scheme will commend itself to the Canadian people just as the hospital insurance plan has. I know that hon. gentlemen regret that I have taken longer than usual—

Mr. Starr: No, no.

Mr. Martin (Essex East): —to discuss this very important plan.

Mr. Pallett: Not on this side; maybe on that side they do.

Mr. Martin (Essex East): I did it because the Minister of National Health and Welfare (Mr. Monteith) paid such attention yesterday to our plan that I thought the least I could do, when a minister was generous enough, in the introduction of his own scheme, to speak more about the Liberal party plan than his own, was to emulate him. Then, today, when he embarked upon a further elucidation and by implication gave this plan his partial imprimatur, I thought the least I could do was to elaborate on some of the details of our plan.

Let me remind the minister that this plan provides, not what is going to be provided in this bill, a pension of $65 basic, but a national minimum of $75. This plan was conceived in a responsible way. It has not brought on it the condemnation that we were irresponsible financially in the way in which we conceived and projected it; that is the situation.

Mr. Pigeon: You are not sincere.

Mr. Martin (Essex East): My hon. friend says I am not sincere. My hon. friend, whose friendship in this house I enjoy suggests I am not sincere. I am not going to ask him to withdraw. I will place my record of public life against his. Let the hon. gentleman look over the record of *Hansard* from my very first days in this house, and he will find evidence of my concern for the development of social welfare in this country. Let my hon. friend come down to my constituency and tell the people in that constituency what he has just said in this house. If he does, I assure my hon. friend I will have to escort him out of the gates of the city to see him safely away.

Now, Mr. Speaker, we support this bill as an amendment to an act which we introduced. We say that the amount provided is inadequate. We support the bill also because of our own view that there should be at this time, responsibly conceived and administered, a national minimum pension based on not less than $75. We support this plan and we are urging the government, even at this late date, to remind itself of the promises that it made. We ask the minister to recall the long hours of study he made of the Clark report, the long hours at night, during the mornings and over the week ends. I ask him now to show his faith in the Canadian people, to

show that he believes in commitments made by political parties to the Canadian people. I ask him even at this late date to take steps that will result in the establishment in this country of a scheme such as the Liberal party introduced.

If that is not satisfactory, let him introduce a scheme modelled on his own plan, embodying the principle of contribution established in the United States. I terminate what I have to say, Mr. Speaker, by observing that the Liberal party, which was responsible for the establishment of old age pensions, for old age assistance, for blindness allowances, for disability pensions, for the hospital insurance act, for health grants and for family allowances, is able now to add one other development to its program of social welfare in this country. We are now providing a plan that would enable our senior citizens, in their period of retirement, in this complicated industrial society in which we live, where automation is having a greater and greater impact, to live without fear of insecurity. We ask the house to accept our plan, as one that goes to the root of the problem, as one that will resolve it, in so far as by enactment we can resolve this particular aspect of this social problem. I do so with confidence in the belief that we have put forward a responsible and constructive proposal. I ask the government, even at this late date, to implement the promise it made to this house and to the Canadian people.

Mr. M. W. Martin (Timmins): Mr. Speaker, first of all I should like to assure you and this house that it is not my intention to go on like a broken phonograph record for the full extent of my time. We are dealing today with the second reading of Bill No. C-54, an act to amend the Old Age Security Act. This bill has three simple sections. The first section of the bill reads:

All that portion of subsection (1) of section 3 of the Old Age Security Act immediately preceding paragraph (a) thereof is repealed and the following substituted therefor:

"3 (1) Subject to the provisions of this act and the regulations, a monthly pension of sixty five dollars may be paid in respect of every person who—"

Section 2 reads:

This act shall be deemed to have come into force on the 1st day of February, 1962.

The explanatory note covers the situation very well and it says that the purpose of the amendment is to increase the pension from $55 a month to $65 a month. Last night we listened with great interest to the hon. member for Essex East (Mr. Martin) make a speech which lasted the full extent of his time. In fact, we listened to it twice, and on both occasions he used all his time. Today, we heard this speech again. I think he almost accomplished the impossible today by speaking to the full extent of his time when he had unlimited time.

I was quite surprised also, Mr. Speaker, to hear the Minister of National Health and Welfare (Mr. Monteith), both last night and again today, devote the biggest part of his time to a measure that is not before us. In fact, we are wondering if and when it will be before us. I should like to give a warning to the minister. He has not told us too much about this contributory, so-called portable, pension plan that was forecast in the speech from the throne. First last night and then again today a little more information is leaking out about the plan the government seems to have in mind. Every time a little information leaks out it tarnishes the lovely picture that was painted in the throne speech. This reveals once more the great fault of this government, that the results never live up to the advance notices in so far as their legislative program is concerned. We always get a grand picture first, and then when the legislation is introduced cracks appear in the picture. It is something like a windshield. You get a little stone chip and the first thing you know the cracks work their way across the front of the windshield. The same situation applies to the record of the government with regard to legislation.

If I heard the minister correctly today, this plan that they have in mind to present at some future date may be a contributory pension plan but I do not believe there is any relationship to a portable pension plan. I thought the minister mentioned something to the effect that industrial workers who now have a pension plan would not be eligible to join this plan. They would not qualify. I should like to remind the minister that this is not going to solve some of the problems we have in this country today pertaining to pension plans.

Will this sort of scheme solve the problem of the employee who may be tied to a certain job because of his pension plan, even though he might be better suited to another job? Will this scheme, which the government has in mind, solve the problem of the employee who is 40 or 45 years of age? One of the greatest problems facing us today is what we are going to do with older employees. They are too old to work but not old enough to pension off. Will the scheme which the minister envisages make allowance for these problems or are we going to get another half-baked measure that will do as much to confound the problems as to solve them? My suggestion and advice to the government is

to get past this measure before too many more cracks appear in the rosy picture painted in the speech from the throne.

Hon. E. D. Fulton (Minister of Justice): We have listened at some length and with, I think, commendable patience to the list of exaggerations placed on the record here this afternoon by the hon. member for Essex East (Mr. Martin) in the course of which, as was pointed out by Your Honour, he paid very little attention to the bill actually before the house.

Indeed I wondered during the course of his address when he was going to claim, for the Liberal party, credit for having invented gunpowder, because he did not stop very far short of that. Perhaps some of us might have had it in our minds that gunpowder could be put to fairly effective use in the light of what we were listening to then.

Mr. Martin (Essex East): That would be capital murder.

Mr. Fulton: As an example of the exaggeration indulged in by the hon. gentleman I would mention one case. In the course of his remarks he told us, carried away as usual by his own enthusiasm, that as a resident of Windsor he was aware that people living in that city and working in Detroit received $300 a month under the old age system prevailing there. My information is that the maximum family payment for all benefits under that scheme is $254 a month.

Mr. Martin (Essex East): It is not.

Mr. Fulton: And that the single retired person gets a maximum of $127 a month.

Mr. Martin (Essex East): That is absolutely wrong.

Mr. Fulton: This is my information and I think it is probably more accurate than the Martin bureau of statistics of which we have had previous experience.

Mr. Martin (Essex East): You do not know what you are talking about.

Mr. Fulton: That is my information.

Mr. Martin (Essex East): Wrong again.

Mr. Fulton: The other part of the hon. member's speech which impressed me as being so typical of the way he deals, or attempts to deal with serious subjects, was his return to the old system of argument ad hominem. Not being able to make a sound case on the merits, my hon. friend shows a regrettable tendency to get into personalities. On this occasion, not being able to attack my colleague, the Minister of National Health and Welfare (Mr. Monteith), for the very sound proposals he has laid before the house, the hon. member for Essex East reached out wildly to make an exaggerated attack upon my colleague, the Minister of Finance (Mr. Fleming). The nature of that attack was again typical of the tactics of the hon. gentleman.

He laid before us a fantasy of the reasons why this government has not, up to the moment, brought in the full scale, far reaching, contributory social security scheme which we have forecast, by saying the Minister of Finance was opposed to it. What source of reference did he find? What sort of facts did he find as the basis for such an absurd argument? He went back to a committee report of 1951. He referred—

Mr. Martin (Essex East): I went back to *Hansard.*

Mr. Fulton: He referred to the statements made about that committee report by the Minister of Finance in which the Minister of Finance—

Mr. Martin (Essex East): On a point of order. I did not refer to what the Minister of Finance said in the committee. I referred to what the Minister of Finance said in this house, in debate.

Mr. Fulton: My hon. friend is so excited he is not able to hear accurately, because that is precisely what I said. I said that in his fantastic statement the hon. member for Essex East referred to what the Minister of Finance had said about a committee report in 1951, a committee of which the Minister of Finance had been a member, a committee which, as I recall it, brought in a unanimous report, or at least was unanimous in its belief at that time that the old age pension system of Canada should not be based upon the system in the United States. As the hon. member for Essex East said yesterday, that was a view which was reinforced by the government of that time in the legislation it brought forward.

Mr. Martin (Essex East): That is right.

Mr. Fulton: The hon. member for Essex East was a member of the government at that time. You, sir, will recall the little lecture he read us about cabinet solidarity, a subject matter upon which I regret my hon. friend is one of the least qualified lecturers. But, if cabinet solidarity be the doctrine, as it is, my hon. friend at that time also reflected the view that our social security legislation at that time should not be based upon the United States system. So, the argument which my hon. friend sought to make is revealed as being a complete absurdity.

Then my hon. friend went on to ask why this government does not do certain things at this time. He asks why do we not bring in a scheme along the lines of that put forward

by his party. I shall tell the hon. member why we do not. It is because the government does not wish to bring in a half-baked social security scheme. We are determined, at the first possible opportunity, to bring in a comprehensive, contributory social security scheme based on the plans which my colleague, the Minister of National Health and Welfare, has outlined. Now, to bring that scheme into effect requires certain constitutional amendment and so, in the meantime, we are taking care of the old, the blind and the disabled by these interim measures, with the increases which are before the house in this bill and which will be before the house in the three other bills sponsored by the Minister of National Health and Welfare. It is simply because we wish to bring in a really comprehensive and satisfactory social security scheme that we are taking these interim measures until such time as we can, under an appropriate amendment to the constitution, introduce a scheme which would show the proposals made by the Liberal party to be unsound and far short of what the Canadian people require.

As Mr. Speaker is about to call it five o'clock, I shall resume at eight o'clock.

Mr. Deputy Speaker: It being five o'clock the house will now proceed to the consideration of private members' business as listed in today's order paper, namely, private bills and public bills. There being no private bills, the house will proceed with public bills.

INTEREST ACT

AMENDMENT RESPECTING CHARGES ON CREDIT DEBT

Mr. E. Nasserden (Rosthern) moved the second reading of Bill No. C-6 to amend the Interest Act (finance charges).

He said: The purpose of this bill is to provide some protection for the purchaser of credit against the practice which has become so widespread, namely the neglect to outline the cost of servicing that credit, and the cost of carrying it, in respect to the normal accepted procedure in so far as interest is concerned. Should this bill be accepted by the house, and become law, it would provide a penalty for failure to outline total charges, and their percentage relation to the principal involved. In addition to that penalty, failure to act in accordance with the bill would cancel the rights of the lender to any interest charges on such a contract.

Some hon. members may say that these are drastic penalties, but I maintain they are needed if the present situation is to be corrected. Business practice in Canada has accepted the practice of displaying price tags. Indeed, that is one of the foundations of competitive trade. Our society has accepted the principle that the customer is entitled to know the price of his purchase. The practice has been zealously guarded by our governments, particularly, in regard to financial transactions. Both the Bank Act and Interest Act set out the limits within which interest may be charged. Promissory notes carry the rate of interest on their face, prominently displayed. Certain types of bonds are required to show in express terms the interest they will yield. The reason for this practice has been that these requirements prevent misunderstandings which might place upon one or other of the parties to such a transaction a burden or obligation of which he was not fully aware. Our banking institutions have discharged their responsibilities, generally, within the confines of the Bank Act. The general rule followed by these institutions can be best described as loans for productive purposes. That left a considerable void in modern society's financial requirements. The desire of enterprising merchandisers and manufacturers to maintain volume in their production pattern has necessitated a form of credit to finance these transactions. In some cases at least the money required for this financing has been secured from banks at an agreed rate and is provided at varying rates to customers who desire to purchase goods on credit. Payroll cities have become dependant upon this type of financing. Indeed, there are many cases which could be used to illustrate the mutual advantages this system of merchandising provides for the customer and the merchant as well. Because of the monthly payroll characteristic of incomes in these cities, the practice has developed of pricing goods at so much down and so much a month for so many months, without any clear indication of the percentage costs of carrying this service. Some of the finance companies have been equally reluctant to reveal these pertinent facts in their transactions. This situation has obscured the true cost of such credit, and it is my contention the risks involved are most minute when a loan is based on knowledge of the customers security of income. This factor is to my mind one of the major reasons for the practice which has developed, quite apart from the pure encouragement that monthly payments have for merchandising purposes alone. The extent to which finance purchasing has become prevalent is the best denial of the assertion that there are great risks involved. The desire for obscurity in their transactions is motivated by the desire to continue to enjoy the present rate of return on these transactions.

The question that we must ask ourselves is, first: is the customer or purchaser of credit entitled to know in clear simple terms the

cost of the service he is securing? Second, is it physically possible for the merchandizer or financier to provide this information without undue effort? I believe both these questions can be answered in the affirmative. There are some people who believe that a bill of this nature should exclude any reference to mortgage loans and the like. I should like to cite an example of what has taken place in some instances in Canada during the last few years. I refer hon. members to the "Ontario Reports" and the "Ontario Weekly Notes" of June 16, 1961 pertaining to the York county court, and I should like to read part of a case described as Scott and Manor Investments Limited. It reads as follows:

Scott and his wife were the owners in February, 1958 of 75 Roebuck Drive, Scarborough. This house had been purchased by them in 1955 for $13,500 and at the time of the borrowing transaction in question there was owing upon the house about $10,000 by way of a first N.H.A. mortgage and between $500 and $600 on a second mortgage on the property.

At the time of the transaction this small second mortgage was falling due and there was a balance due in respect to the purchase of a motorcar. Scott in his affidavit asserts that he was attracted to Manor Investments by an advertisement of theirs in the public press to the effect that mortgages could be arranged without bonus. Pursuant thereto Scott attended at the office of Manor Investments and there he signed a number of documents; a mortgage agreement dated 11th February 1958, which seems to set out particulars of the application to the company for a loan which required payments of $45 monthly, for both principal and interest at 6½ per cent per annum. This is signed by Scott, and in paragraph 1 it provides to pay the company an arranging commission of $125.

There is another document 20th February 1958 called collateral advantage bonus agreement. This provides for a mortgage loan of $3,200, and interest is stated to be at 12 per cent repayable $45 including principal and interest; and it states:

We W. J. Scott and H. Scott further agree that we will accept the sum of $2,500 as the net proceeds due under the said mortgage; the balance of $700 being a bonus to Manor Investments.

Then there is a mortgage dated 20th February 1958, which is for $3,200 which bears interest at 12 per cent with monthly payments of $45 including both principal and interest and which states that the interest shall be computed half yearly not in advance, on the 17th days of August and February in each year after the date of the mortgage. The mortgage was for three years to fall due 17th February 1961.

Now this mortgage was signed by the Scotts and they received by way of the proceeds of this transaction, less legal fees and disbursements and an inspection fee, the sum of $2,375 which money was used to pay off the current indebtedness of the borrowers on the car and on the existing second mortgage as above stated. At that time a statement was issued dated the 27th February, 1958, by Manor Investments showing the amount of the loan $3,200, the bonus stated to be "Cost—precalculated risk $700", and "arranging commission $125", and then the other items of disbursements.

In this case the borrower actually received only $2,375. When we come to assess the interest on this loan we find the borrowers were charged a bonus of $700, an arranging fee of $125 and interest on $3,200 over a three-year period at 12 per cent, which amounted to $1,152 or a total, in all, of $1,977. This amounts to an interest of $659 per year on an average, which works out to something over 27.5 per cent. The magistrate charged with deciding this case said it would be somewhat less in the following two years.

I do not think I need to read any further in this connection. This is just one case which indicates what can take place as things are today. There are further cases mentioned in the reports I have here but I do not wish to take up the time of the committee by reading more than I have in this regard.

Before resuming my seat I shall read the contents of the bill so it will appear in the record for those who wish to examine it. It offers an amendment to the Interest Act by adding section 16, amending sections 17 and 18. The bill reads as follows:

1. The Interest Act is amended by adding thereto, immediately after section 15 thereof, the following section: "Finance Charges".

16. In sections 17 and 18,

(a) "credit debt" is the debt that is the consideration in whole or in part under any executory contract whatsoever for an interest in real or personal property, or for a service, or for both interest and service; and

(b) "finance charge" means any and every debt whatsoever stipulated for or exacted on any credit debt and includes, but without restricting the generality of the foregoing, interest, brokerage fees and charges, bonus, service charge, subscription, dues, discount, commission, or premium.

17. Every person who carries on the business of extending credit, either directly or as a service in the course of another business, and in the course of that business extends credit, on which finance charges are stipulated for or exacted, to another person is guilty of an offence unless, before credit is so extended, he furnishes that other person an express written statement of

(a) the total amount of the finance charges to be chargeable to that other person on the credit so extended; and

(b) the amount of the credit and the rate of percentage which the finance charges bear to that amount, computed annually and not in advance.

Perhaps this is a good opportunity to say that the purpose of this bill is to make a credit financier criminally liable when he does not, before the credit transaction, clearly disclose in writing to the debtor the cost of the credit calculated as a total dollar amount and as a yearly percentage of the credit amount to be granted. This criminal liability attaches only to the individual or company granting the credit in the original instance and in the course of a business or as ancillary to the operation of another business.

The liability does not attach to the person who grants credit, but not as a business; nor does the liability attach to the person

who takes over the credit transaction, after it legally exists and is operating, from the original creditor.

However, failure by the original creditor to make full disclosure results also in a civil penalty to the original creditor in that the finance charges, including interest, are null and void and uncollectable by way of contract debt, damages under a bond, seizure and sale, repossession or any other right and remedy.

As a consequence, an assignment of the original creditor's rights and remedies only assigns a nullity in so far as the finance charges are concerned. The finance charges only survive for the benefit of the debtor who has paid them, in whole or in part; in such case, he may recover them by legal action or by set-off against any unpaid principal.

There may be those who will say this bill is unconstitutional. I would refer them to section 91 of the British North America Act and to subsections 18 dealing with bills of exchange and promissory notes, 19 dealing with interest and 27 dealing with the jurisdiction in criminal law. I believe it is clearly established under this provision that a bill of this nature may emanate from the federal jurisdiction.

I shall say nothing more and in taking my seat I commend to hon. members of the house the bill I have introduced. I believe the principle of this measure is a good one and I remind the house that it is the principle of the bill that is at stake at this time.

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I am pleased at this time to indicate support for Bill No. C-6. For a number of years I have taken an interest in this general subject and am on record many times as being in favour of the type of action contemplated by this measure.

In its terms this bill provides that a company or firm extending credit or arrangements for instalment purchasing in relation to which a service charge is levied shall set out the amount of finance charges and state the rate or the percentage of the original cost represented by these charges.

This is a simple, straightforward bill that should commend itself to the house. No legitimate firm has anything to fear from the contents of the bill. It merely provides that when a company makes a service charge, such charge shall be clearly stated when the transaction takes place.

This session we are operating under a different set of rules with respect to private and public bills. Only an hour is provided for the discussion of any measure when it is first put forward. With the large number of bills on the order paper, to say nothing of the likely length of this session, there is only a remote chance that this bill will again come before us for second reading. I therefore express the hope that before six o'clock the house will take a vote so we may have an expression of the opinion of hon. members on this worth-while measure.

The sponsor of this bill is a Conservative member. I am certain the bill will win a measure of support within the Conservative party. I hope it will win general support but I have no knowledge of that.

We in this group are in favour of the bill. One not identical but similar in some respects has again this year been introduced in the Senate by Senator Croll, a well known Liberal senator, who introduced a similar bill in the Senate last year. It received the attention of the Senate and on May 23 came to a vote. I am sorry to say the bill was defeated.

Mr. Deputy Speaker: Order. I understand it is not in accordance with our rules to refer to the proceedings in the other place.

Mr. Argue: I am not referring to contemporary proceedings in the Senate. This is a matter of history. The record indicates that last year the measure was defeated in the other place by a vote of 35 to 26. Although I am sorry to say the measure was turned down, the vote indicates considerable support for this proposal in the other place.

This is another example of a private member bringing forward a measure here or in the other place that is initially turned down. However, it sometimes happens that through similar measures being brought forward periodically the general principle wins support and in time becomes law.

I regret that this house does not more frequently take the opportunity of having a vote on second reading of public bills. I think it is good to have votes and indicate our position. The sponsor of this bill, I am sure, would be the first to agree that if the measure passed second reading today it would still be a long way from being the law of the land. Many things could happen. For instance, it could be defeated in committee. It could be defeated on third reading. It could be caught in the dissolution at the end of this week or at some other stage. It might get rejection in the other place. Hence if it passes today, this would merely be the first hurdle. However, it would be an important hurdle, Mr. Speaker, and it would demonstrate to the country that at least a majority of the members of parliament feel it is time that firms in the business of making loans or providing instalment credit did the thing which I suggest is fair, aboveboard and frank, namely inform the

person who is obtaining this credit of the total finance charges and of the interest rate involved.

This measure has nothing to do with the kind of measure that I have been advocating so often with regard to the setting of a ceiling. If a ceiling were set and if the law were enforced, protection like this would not be as necessary. It might be desirable but it certainly would not be as necessary. All this measure does is to say that if a business firm is providing a service by way of loan or by way of instalment credit it should do the fair and straightforward thing, should tell the customer the interest charge being levied and should set it out in writing in the contract.

I think this is the kind of proposal that would get the support of the hon. member for Greenwood (Mr. Macdonnell) who is a distinguished member of this house and has had a long experience in the business field. While I know that he has disagreed with me in times gone by over some of the harsh things I have said about certain business firms in the credit field, I believe he will support the suggestion contained in this measure, namely that companies shall set out the interest and carrying charges that are being levied.

We have this particular measure, the measure before the other place, and Bill No. C-23 in my name having to do with advertising by small loans companies which, if passed and if it became law, would require that in any advertising that is done the interest be set out. In these measures we are dealing with this general problem. I must say that these propositions have received a great deal of attention across this country from time to time and in my judgment have a very substantial measure of support amongst the public and amongst ordinary financial institutions, and very frequently have the support of credit unions and the credit union central organization. The credit union is doing a worth-while service at what is usually a very low interest rate. I feel that it is only proper and fair that all companies, including credit unions, should set forth the interest rates that are being charged in any of the transactions that may be made. Under the circumstances prevailing, having regard to the history of support for this measure and for other similar measures we have had in the past, I believe that this afternoon this measure can be dealt with on a non-political and non-partisan basis and that it is the kind of measure that should command general support from all parties in this house.

(Translation):

Mr. J. J. Martel (Chapleau): Mr. Speaker, I should like to make just a few remarks about Bill No. C-6 now under consideration, to indicate first of all, that I fully support not only the principle of the bill but the bill itself. Like the hon. member who preceded me, I hope we shall have the opportunity of voting on this bill. However, every member should be given the chance of expressing his opinion, and we should not adopt all those bills in a rush without having considered them or having given everyone the right to express his opinions.

If we refer to the debates which have taken place in this house on similar measures, as was pointed out a moment ago by the hon. member for Assiniboia (Mr. Argue), we noted in the course of the debate which took place on January 19, 1961, that several finance or loan companies were charging sometimes a rather high interest rate, which they hardly need, or which they could go without for a certain time at least. Such publicity, of course, brings revenues to advertising agencies, since it increases the sale of certain products; but it puts many salaried people in a very difficult financial situation.

There is another field where a very high rate of interest is being charged, and it is that of second mortgage loans. There are many who, while building themselves a house, find suddenly that they have not got all the required capital to complete it. They are then obliged to borrow on second mortgage and, in those circumstances, they are often charged excessive interest rates. I think this measure will help correct that situation, or at least will allow those people to be better informed about the interest rate that they would have to pay.

Of course, this is no new question. It has been considered before, both here and in the other place. Just the same, the idea is gaining ground, and I believe that the bill we are now considering will help create a favourable public opinion and bring about the required measures to remedy a situation prevailing in many cases, where finance contracts do not specify the exact interest rate nor the amount of interest to be paid.

In fact, it has even been pointed out that certain business firms selling on credit certain articles which are then paid by instalments have admitted that the selling price necessarily includes a financing charge.

Mr. Speaker, without wishing to take up the time of the house, in order to give other members the opportunity of expressing their opinion, I should like, however, to point out that the publicity of those finance companies is often, in my opinion, too aggressive and smacks of high pressure, which often makes people buy articles.

Precisely in that connection, during the week end I looked at a television program on the C.B.C.'s English network—perhaps other members did the same—about the sad plight of a young couple who had bought several items on credit and who had borrowed money on supposedly easy terms. At the end of the interview, after the unidentified couple had been asked questions, the commentator said: Borrowers are too often ill-informed; unfortunately they do not read the fine print on finance contracts where terms are clearly set out.

That is why I will vote in favour of the bill. However, before I resume my seat, I should like to read the explanatory note which gives a pretty good idea of the purpose of the bill:

> The purpose of this bill is to make a credit financier criminally liable when he does not, before the credit transaction, clearly disclose in writing to the debtor the cost of the credit calculated as a total dollar amount and as a yearly percentage of the credit amount to be granted. This criminal liability attaches only to the individual or company who grants the credit in the original instance and in the course of a business or as ancillary to the operation of another business. The liability does not attach to the person who grants credit but not as a business; nor does the liability attach to the person who takes over the credit transaction, after it legally exists and is operating, from the original creditor. However, failure by the original creditor to make full disclosure results also in a civil penalty to the original creditor in that the finance charges (including interest) are null and void and uncollectable by way of contract debt, damages under a bond, seizure and sale, repossession or any other right and remedy. As a consequence, an assignment of the original creditor's rights and remedies only assigns a nullity insofar as the finance charges are concerned. The finance charges only survive for the benefit of the debtor who has paid them, in whole or in part; in such case, he may recover them by legal action or by set-off against any unpaid principal.

Before I take my seat, I should like to add only this. As often as not these borrowers could obtain easier and better terms, knowing exactly what rate of interest they will have to pay, by going to our banks which are subject to the law as far as the maximum rate is concerned. They could even go to the caisses populaires. I am thinking of the province of Quebec in particular but I imagine the situation is the same throughout the country. Our caisses populaires are of great help to small borrowers who often do not have enough money to finance the purchasing of furniture or the building of a house.

The caisses populaires have been most useful in that field since they were established, and I am sure they will keep on being useful. Anyhow, when this bill has been adopted and the interest rate is clearly indicated on the contracts so that nobody can be misled, I am sure borrowers will be more cautious when they apply for credit or loans.

(Text):

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, in rising to take part in the debate on Bill No. C-6, to amend the Interest Act, I should like to say at the outset that I am much in favour of what is spelled out in this amendment. As I understand the purpose of the bill, it is to make a credit financier criminally liable when he does not, before the credit transaction, clearly disclose in writing to the debtor the cost of the credit calculated as a total dollar amount and as a yearly percentage of the credit amount to be granted.

It is my understanding that if the bill comes into force it will mean that any company that sells to a person on credit or time payments must disclose what the interest charges will be when the note comes due. I must congratulate the hon. member for Rosthern (Mr. Nasserden) on bringing in this bill, and I am sure it will meet with the approval of many people who have had anything to do with credit financiers or the purchasing of goods on time payments.

This does not mean that many credit financiers are not sincere in the transactions in which they are involved. The bill will actually apply to the unscrupulous credit financiers who may take advantage of a person who is not very familiar with financial transactions and is surprised in the end at the rate of interest when he has to pay his bill.

I must say that times have changed from what they were many years ago. There are many people in our country today who are on salaries and are paid only once a month. They have to go to a credit financier because they wish to buy something for which they are not able to pay cash at the time. As a result they must sign a note and many of them are not familiar with interest charges. That is why I am very much in favour of this bill to amend the act. Those people who sign credit notes will then be in a position to know what they have to pay when they buy something on time payments or what they will have to pay if by reason of unforeseeable circumstances they cannot make the payments as set out in the note.

I am sure that many people have been wanting such an amendment for years. Since I came to the House of Commons, bills or motions to this effect have been introduced from time to time in which it has been provided that credit financiers must disclose

the rate of interest. I would be very much disappointed if the bill did not reach the stage where it could be discussed in the committee to which such bills usually go, and I would hope that a vote would be taken on the bill before six o'clock.

I am sure that many hon. members will be pleased to give their approval to the amendment introduced by the hon. member for Rosthern. On other occasions I have spoken in the house on similar bills. I would be the last one to change the views I have expressed before and I should like to see this bill become legislation in the very near future.

Mr. M. D. Morton (Davenport): Mr. Speaker, the bill before us this afternoon places before hon. members a very worthy principle, but I must point out that there are certain aspects of it with regard to which it would not be practical so far as its application is concerned. Let me be clear, Mr. Speaker, that in so far as this measure relates to the disclosure of cost and the rate of interest charged, I have no quarrel with it. There is one aspect of this bill which I do not think is practical, and I intend to indicate how this matter was dealt with in a more practical manner in the statutes of Ontario.

First of all, we want to make this a workable instrument; we do not want to defeat the purpose of the bill. There are a number of problems which have not yet been settled. The first one is just how far we can extend the meaning of interest to bring it within the jurisdiction of the federal government. It is quite true that under the constitution the federal government has exclusive jurisdiction to deal with interest. However, when you start adding certain charges to the definition of interest, then you introduce a question as to whether or not those charges fall within the property and civil rights provision. This question was raised in the other place during the introduction of a measure by Senator Croll. I do not believe the question has been resolved.

Another difficulty is the inclusion of all persons in the wording of a section, so that the bill does not become discriminatory. If this measure is to be applied fairly it must cover all persons and not just those who are normally in the business of lending money. If you read the definition as it is here, it does include those who are directly involved in the business of lending money or indirectly involved in lending money in connection with another business. However, the definition does not include those persons who have acquired a certain amount of wealth and who enter the mortgage field, quite apart from their regular business. Those persons dealing in second mortgages should be included because that is a field about which there has been a great deal of complaint.

This problem, as it relates to mortgages in the province of Ontario, was dealt with in chapter 67 of the statutes of 1960, when the mortgage brokers registration act was passed. This act provides that people dealing in mortgages should be registered and should comply with the terms of the act. Under regulation 46, made under this act which deals with the disclosure of information, we find that this type of information is required, as set out in section 4:

> Subsection 1
>
> Every registered broker shall keep and maintain a record showing,
>
> (a) The repayment terms of each mortgage;
>
> (b) The total amount actually paid or to be paid to the mortgagor on each mortgage;
>
> (c) The fees, expenses, costs and other charges required to be borne by the mortgagor in respect of each mortgage transaction;
>
> (d) The particulars of any related agreement.

Subsection 2 reads:

> Every registered broker shall deliver to the mortgagor the information required by subsection 1 on a form approved by the superintendent and shall obtain proof of delivery.

Now, if this can be done in respect of mortgages it can be done in respect to other types of loans and credits. My big quarrel with the present measure is with section 17 (b) which reads:

> (b) the amount of the credit and the rate or percentage which the finance charges bear to that amount, computed annually and not in advance.

My complaint is that this is a rather vague provision. The way in which interest might be computed is rather difficult. If a mortgage is discounted the interest might be set out at 6 per cent, but it will actually be more. I feel that when you are creating a criminal offence and putting the responsibility on a person to set out the correct information, you must make the terms of the measure simple so that all people can understand them. If you do not do that, people might be convicted of a criminal offence when, in fact, they would not be sure how the charges should be computed in accordance with the act. I do not believe it is necessary for a person to know the percentage which the finance charges bear to the loan. This is not the important thing. The important thing for him to know is how much he has to pay in dollars and cents for this loan or the mortgage which he may receive.

One practical difficulty which may be encountered in connection with mortgages may be where the mortgage term is five years and

it is amortized over a period of 15 years. These charges would have to be based on the five-year period because the mortgage is said to be for a five-year period. The mortgage might contain the privilege of renewal and if it were renewed for a period of 10 years, then the interest calculated on the 10-year period would be different from the interest calculated on the five-year period. These are some of the practical difficulties which might be experienced in the application of this bill.

As I say, I believe this is a principle which should be studied and applied, perhaps in the same manner as it has been applied in Ontario in respect of mortgages. No matter how we might spell these things out, how we might deal with these situations, there are always those who will try to get around the law. I have in my hands some papers relating to a situation in which the Citizens Finance Company made a loan to an elderly couple. The terms were clearly set out. There was an added feature in that if they paid a premium the loan would be insured so that if the husband passed away the loan would be paid. On the basis of this provision, they paid their premium quite satisfied that they had a good loan. Unfortunately, a month ago the husband died. Now the company claims a mistake was made and the insurance policy should not have been issued because the man was too old at the time. They accepted the premiums, however. Now they are trying to entice the widow to go in and accept a receipt for the amount of the premium and release the company. Of course, having done that she would then be responsible for the loan.

This is the type of thing we have to eradicate and make sure that the finance companies who operate in this country adhere to a higher standard of ethics. This bill, Mr. Speaker, and other bills that have come before this house continually in relation to this subject point out the need for revamping the Interest Act, the Small Loans Act, and so on, but only after a careful study. I would suggest that the proper manner in which this study could be carried out would be under order in council P.C. 1961-1484, under which the royal commission was set up to study the financial system in Canada, which includes the banks and other institutions. Under its terms the commissioners by virtue of part I of the Inquiries Act may enquire into and report upon the structure and methods of operation of the Canadian finance system, including the banking and monetary system, and the institutions and processes involved in the flow of funds through the capital market. Section B(2) of the order in council says the commission may inquire into the Bank of Canada Act, the Quebec Savings Bank Act and other relevant federal legislation.

I would be happier had the terms of reference been broadened to spell out and include study of the Interest Act and the Small Loans Act. However, I think the terms are broad enough and I hope the commission, which is to be headed by Chief Justice Porter, will take under advisement and study all these acts to ensure that we do have a co-ordinated interest act and co-ordinated regulations affecting small loan companies throughout the country. There are so many instances of divided jurisdiction that unless we have co-ordination between the federal and provincial authorities we shall not have effective control.

In closing I strongly urge that this whole matter, which has been brought before the house so many times, be brought to the attention of the commissioners for their care and study.

Mr. Terry Nugent (Edmonton-Strathcona): The bill before us today has several aspects which I am sure will commend it very highly to the whole house, but at the outset I would like to say that I have a rather serious question in my mind about its constitutionality.

Not so many years ago a bill was presented in the Alberta legislature, a bill which did not proceed past first reading, but which occasioned many finance companies to seek legal advice as to whether it came within the legislative responsibility of the province. As I recall it, many opinions were given to the effect that it was a provincial responsibility. That bill was not identical to the one we are dealing with today, but it was essentially the same, having to do with the publication of information. However, before dealing further with that point there are one or two other observations I should make.

First, in talking on this bill and on bills such as the Interest Act and Small Loans Act, the practice has arisen of illustrating points by reference to particularly bad cases of harsh treatment by finance companies and other institutions. I myself have done so on occasion, and in one particular instance it was pointed out to me that perhaps I had not been exactly fair. I had not made it clear enough that I was not attempting to portray all the people in the finance business in a bad light.

At this point I think a word of caution is only fair. We certainly do see examples of sharp practice in this country, but I think I can afford to be fair due to the reputation

I earned in fighting finance companies for a number of years. None of the clients I defended will misunderstand me when I say that not all finance companies resort to that type of practice.

Mr. Benidickson: Let us have a vote.

Mr. Nugent: There are instances where people borrow money when they should not, particularly where they have not properly investigated their chances of repaying it, where they have not had the benefit of advice on the business they are entering into as to its earning capacity, and where they have not properly understood the value of money and the necessity of repaying it. In this country there are many finance companies who honestly and earnestly sit down with prospective borrowers and try very hard to make sure they know what they are doing and know whether they have the capacity to repay on the terms they are borrowing. They want to make sure a borrower understands the terms on which he is borrowing because they understand that squeezing repayments out of a man is the worst kind of advertising for their business. I shall admit this is only part of the story but I think we are sometimes remiss in dealing with such matters. What we ought to do is protect these people from essentially bad practices, which brings me to another fundamental hesitation I have about the bill.

We live in a democracy and the strength of the democracy itself depends on the thinking capacity of each individual citizen. As life becomes more complex, as the government intrudes more upon the ordinary lives of our citizens there is (1), a growing tendency for the government to interfere and (2), a growing tendency for the citizen to ask the government for more and more help. I suggest the best sort of citizen in this country is the one who believes in standing on his own feet, who most resents government interference and who seeks the least of the government. This is the man who realizes the heritage we have, who realizes the possibilities that exist in this country for a man of ability and courage.

Mr. Benidickson: The interest payers will iknow who killed this bill.

Mr. Deputy Speaker: The hour for the consideration of private members' business having expired, the house will revert to the business which was interrupted at five o'clock.

[Mr. Nugent.]

OLD AGE SECURITY ACT

AMENDMENT TO INCREASE AMOUNT OF PENSION

The house resumed consideration of the motion of Mr. Monteith (Perth) for the second reading of Bill No. C-54, to amend the Old Age Security Act.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Fulton: The main reason I desire to intervene in this debate is to deal with the question which has been raised as to whether or not a constitutional amendment is necessary to give to the federal government authority to introduce a comprehensive contributory social security program with disability and survivor benefits.

Before coming to that specific question, however, I should like to deal briefly with some of the inaccurate statements made, in particular, by the hon. member for Essex East (Mr. Martin) and the hon. member for Bonavista-Twillingate (Mr. Pickersgill) as to the basis of comparison between the record of the Liberal party and the record of the present government with respect to social security measures and, particularly, measures taken to look after the welfare of the senior citizens of Canada. In dealing with this subject the one inescapable fact is that the record of this government in the past four years in connection not only with social security generally but with respect to the senior citizens particularly compares most favourably with that of our predecessors.

I might point out that in just over four years this government, with the approval of parliament and the support of the people of Canada, has implemented with respect to the level of old age pensions available to our senior citizens increases of $25 a month as compared with the level in effect when we assumed office in 1957. Remembering that a $25 a month increase was added to a base of $40 a month one finds that this government is responsible for an increase of 62.5 per cent in the level of the monthly payments to the senior citizens of Canada under the Old Age Security Act.

This it is true is based perhaps on the most generous interpretation of what took place in 1957, because it will be recalled the former government had announced its intention of making an increase of six bucks a month, although they did not make this effective before they were dismissed from office in the election of June, 1957. However,

we implemented that $6 increase and immediately added $9 to it, making $15. That, together with the $10 a month provided for in the present bill introduced by my colleague the Minister of National Health and Welfare (Mr. Monteith) makes up a $25 increase which we shall have made effective since assuming office in June, 1957.

I said the figure of 62.5 per cent was based on the most generous interpretation. So let us look at it the other way. Even giving our predecessors credit for the $6 increase per month which they announced—and we would not, of course, like to deprive them of the title of the six buck boys, especially after the hon. member for Essex East admitted last night that when they proposed it he knew it was not adequate—

Mr. Martin (Essex East): No.

Mr. Fulton: We certainly would not like to deprive them of the title of the six buck boys—

Mr. Martin (Essex East): Will the minister say if the proposed amount in the amendment before us is adequate?

Mr. Fulton: Even allowing for the increase—

Mr. Speaker: Order. The hon. member who has the floor has not yielded.

Mr. Fulton: Even giving them credit for the increase which they said they would make but did not have the courage to introduce and make effective before they were dismissed from office—

Mr. Starr: It was never intended. It was just a promise.

Mr. Fulton: In just over four years we have increased the payments under the Old Age Security Act by $19 per month over the $46 for which they might claim credit. This represents an increase of 41.3 per cent in the level of payments under the act made by this government by means of measures introduced by my colleague the Minister of National Health and Welfare. This, I suggest, is an example of the sort of comparison that can be made to show the way in which this government, in circumstances of great economic difficulty which we inherited from our predecessors, has been able not only to arrest the trend of recession and restore the trend to one of development but at the same time to implement its pledges with respect to social security and all the other vast undertakings which were given to the Canadian people.

We find the hon. member for Essex East and the other spokesmen of the Liberal party, being at a loss to advance constructive criticisms against this measure and the other accompanying measures—

Mr. Martin (Essex East): We are in favour of them.

Mr. Fulton: —are protesting, but with rather a faint voice, about delay in introducing a comprehensive social security program. They also say that this particular measure is too little. Let us compare the record on both these points.

With respect to the question of whether it is too little, I suggest that the analysis I have just put on record furnishes a complete answer to that inept criticism. With respect to the question whether or not this or any other measure has been too long delayed, may I refer hon. members not only to the record but, indeed, to the confession made this afternoon by the hon. member for Essex East when he admitted it had taken the Liberals 38 long years before they got very far towards implementing the pledges they had made.

Mr. Starr: Procrastination.

Mr. Fulton: And even after those 38 years they had never brought into effect one of their basic planks, the promise of hospital insurance.

Mr. Starr: They never intended to.

Mr. Martin (Essex East): What was that?

Mr. Fulton: Bear in mind the oft repeated promise that hospital insurance would be made available to the Canadian people—you will recall, Mr. Speaker, as I recall, that this was stated to be a central plank of the Liberal social security platform—yet history shows that they were not able to get the scheme off the ground. When they were dismissed from office it was again left to my colleague, the Minister of National Health and Welfare, in the present government to introduce a quite simple amendment, one that should not have been beyond the capabilities even of the hon. member for Essex East to envisage if they really intended to bring the scheme into effect. However, the hon. member for Essex East did not bring the amendment forward and it was left to my colleague in this government, by virtue of a very simple and almost obvious amendment, to bring that simple core of a social security program into effect.

On every ground then we see that the frenzied arguments and fantastic criticisms of my friend the hon. member for Essex East are but further evidence of what I referred to on an earlier occasion, that is the extraordinary mental disturbance which agitates hon. gentlemen opposite when the breath of

an election is wafted into their nostrils. They become greatly agitated, these hon. gentlemen who sat on this side of the house for 22 years and who have been separated from office for the brief period of four years.

Mr. Jones: It paralyses them.

Mr. Fulton: We understand and forgive—

Mr. Martin (Essex East): Thank you.

Mr. Fulton: —and I am sure that the Canadian people will also understand and forgive—

Mr. Kucherepa: But remember.

Mr. Fulton: —because they will appreciate the extent to which my hon. friends are beginning to learn what it is that the Canadian people need and deserve in the way of a social security program which was so long neglected by hon. gentlemen opposite. The Canadian people will realize that if the process of four years of separation from office could bring about such a healthy reformation and education process, perhaps a little longer on the opposition benches would but advance the process and be even healthier for hon. gentlemen opposite and for the country.

I said, sir, that the main purpose of my intervening in this debate was to discuss the question of the necessity for a constitution amendment in order to provide the authority for a comprehensive social security program based on a contributory system and including disability and survivors benefits.

The hon. member for Essex East said last night and repeated today that no constitutional amendment was necessary to bring in such a program. The hon. member gave a number of fanciful reasons why, in his disturbed imagination, the government had indicated to the house that it would seek a constitutional amendment first before bringing in such a program.

It is no wonder that my hon. friend is so concerned to belittle the need for a constitutional amendment for such a program. The real reason, I suggest, is that under a constitutional amendment a really comprehensive, all embracing and satisfactory scheme can be brought in, not a half-baked one like that put forward by the leader of the Liberal party and then so rapidly amended after my colleague announced the details of the interim measures that we are taking. Of course it is necessary to have a constitutional amendment to bring in a satisfactory over-all scheme of social security.

Mr. Martin (Essex East): Why did you not do it three years ago?

Mr. Fulton: Let me repeat the kind of scheme that we envisage as outlined by the Prime Minister speaking in this house on January 22, 1962, as reported at page 74 of *Hansard* when he said:

> In order to complete the structure for old age pensions it is necessary that parliament should have the authority to enact a statutory system of old age pensions and related survival and disability benefits that would be comparable to that under the modern British and United States legislation in the nature of benefits that could be provided.

That is the type of scheme we envisage. I continue:

> At the present time parliament's authority derives from section 94A of the British North America Act which permits it to make laws in relation to old age pensions so long as they do not affect the operation of provincial laws. This constitutional authority does not permit parliament to enact a plan which would include benefits payable under specified circumstances to the widows and children of contributors or to contributors who become disabled before they are old. To extend the law in this most desirable way it would be necessary to secure constitutional authority.

Mr. Martin (Essex East): In your opinion.

Mr. Fulton: I continue:

> With this idea in mind I have written to the premiers of all the provinces asking their concurrence in an amendment to section 94A of the British North America Act. I should like to table a copy of the letter to Premier Robarts of Ontario. The text of the others is similar. If the house is willing, the letter could be appended to *Hansard*.

In accordance with the Prime Minister's suggestion the letter appears as an appendix to *Hansard* of January 22. The Prime Minister continued:

> In His Excellency's speech reference was made to the desirability of the new plan taking into account private pension arrangements and the need for portability of pension rights. I should like to make it clear that pension rights under this type of national plan would be portable. On the other hand, we must contemplate private plans remaining in operation. Pension rights under them should be made portable, if necessary by the passing of either provincial or federal legislation. Our plan should take these private plans into account and should not require additional contributions by those already contributing under satisfactory private arrangements.

It will be obvious from any reasoned consideration of the extent, breadth and scope of the plan the Prime Minister there outlined, that it can be brought into effect only under the authority of an amendment to section 94A of the British North America Act. My friend the hon. member for Essex East, great constitutional authority that he is—

Mr. Martin (Essex East): Thank you.

Mr. Fulton: —in his own estimation—

Mr. Martin (Essex East): Thank you again.

Mr. Fulton: —said that the 1951 amendment, section 94A in its present form, is adequate to cover the kind of scheme the Prime Minister has in mind. You will recall, Mr. Speaker, that the hon. gentleman with a great show

of indignation said this afternoon that if section 94A is not adequate to do this, if it requires a constitutional amendment, why was parliament not told about this before. After all, he said, the Prime Minister has been talking about this type of scheme for a long time, since 1958 or 1959. The house will remember that the hon. member for Essex East and his colleague the hon. member for Bonavista-Twillingate worked themselves into a—

Mr. Martin (Essex East): Lather?

Mr. Fulton: —frenzy—which does not take too much work sometimes, Mr. Speaker. Then the hon. member for Essex East went on: Why were we not told all these things before? Indeed, he wanted to know why they were not told last September.

It is quite obvious that these hon. gentlemen who attempt to persuade the house and the country that they speak with authority in these matters have not even read the Clark report because they were told about the necessity for a constitutional amendment in the Clark report which was tabled in this house in March 1959.

Mr. Monteith (Perth): Hear, hear.

Mr. Starr: They did not read it.

Mr. Monteith (Perth): They still have not read it.

Mr. Fulton: As my colleague suggests, it appears that they have not read the report but if they did read it I think one is quite at liberty to doubt whether they would have understood it.

In any event, Mr. Speaker, the information that a constitutional amendment would be required is contained in the Clark report at page 217, paragraph 2023, in a letter written on my behalf by the acting deputy attorney general of Canada to my colleague, the Minister of National Health and Welfare. The last paragraph of that opinion was reproduced in the Clark report as follows:

> I understand that Dr. Clark has ... indicated ... that he would like an opinion as to whether parliament can enact laws providing certain classes of what he refers to as "flat survivor benefits". While I understand that it is contemplated that these benefits would be provided in conjunction with old age pension schemes, it would appear that the scheme is that the benefits would be for, or for the benefit of, children or widows and not for persons who have attained "old age".

Mr. Martin (Essex East): It is for both.

Mr. Fulton: The quotation continues:

> While it is impossible to express an opinion with any assurance concerning parliament's powers to make laws of a certain class in the absence of some concrete project, I am of opinion that a law enacted by parliament under section 94A supra could not provide pensions or similar benefits for persons on any ground other than their attaining of "old age".

Mr. Martin (Essex East): That is right.

Mr. Fulton: I am glad my hon. friend admits that it is right. It is a pity that he did not read it earlier, as then he would not have had to ask all those questions which he has been asking—

Mr. Martin (Essex East): The minister does not understand what I am talking about.

Mr. Fulton: —in the course of his long and tedious speeches in these debates.

Mr. Martin (Essex East): My hon. friend has not understood me.

Mr. Fulton: What this opinion makes perfectly clear—

Mr. Harkness: It would be better if the hon. member for Essex East did not interrupt so much.

Mr. Martin (Essex East): I did not interrupt.

Mr. Fulton: What this opinion makes perfectly clear is that a pension scheme providing graduated benefits based on contributions would be possible but that a scheme going beyond that point and providing survivors or disability benefits not payable on account of old age could not be enacted under the authority of present section 94A.

Mr. Martin (Essex East): But the government could have acted in 1959.

Mr. Fulton: I have the greatest affection for my friend the hon. member for Essex East.

Mr. Martin (Essex East): The feeling is mutual.

Mr. Fulton: He spoke at great length this afternoon. We heard him with what I think was commendable patience. I would suggest that he might attempt to restrain himself until he has another rightful occasion to intervene in the debate.

Mr. Martin (Essex East): That will come.

Mr. Fulton: The reason why a constitutional amendment is necessary in order to provide the authority for such a comprehensive scheme as that which we have in mind is quite clear. It is that the 1951 amendment, now section 94A, was drawn purposely with the object in view of authorizing a simple contributory old age pension scheme on the basis of the report of the committee—I refer to the report of the all-party committee which met and which, as my hon. friend pointed out, was accepted by the government of that day—on the basis of their view that such a scheme should not be based on and should not include the wider benefits possible under any scheme resembling that of the

United States. In other words, the 1951 amendment was drawn having in mind purely and simply a contributory old age pension scheme with benefits payable by virtue of old age and for no other reason. That is why any scheme which contemplates the extension of such benefits to disability and survivors benefits must have the authority of a constitutional amendment.

What we now want, on the basis of the explanation of our proposal given by the Prime Minister (Mr. Diefenbaker), and repeated by my colleague the Minister of National Health and Welfare (Mr. Monteith) is authority to include such matters as disability and survivors benefits and possibly the regulation of private pension plans, including portability. All these are things which I point out to you are not necessarily embraced within the half-baked first scheme or even the amended scheme put forward by the Leader of the Opposition (Mr. Pearson)—but they are in a category—that is to say disability and survivor benefits and the regulation of private pension plans including portability—which are not necessarily incidental to old age pensions. They are not necessarily incidental thereto and they are therefore in a category which might otherwise be struck down by the courts if the legislation establishing them is not covered by a constitutional amendment broad enough to include them without question.

As I have pointed out, this is established by the opinion of 1958 which is reproduced in the Clark report. That is why the letter sent by the Prime Minister to the provincial premiers includes the following statement:

The law officers of the crown advise me that this authority—

This authority being section 94A.

—would permit parliament to enact a contributory, graduated old age pension plan but would not permit the inclusion of benefits payable under certain circumstances to widows and children, nor to contributors who become disabled before they are old. To extend the law in this most desirable way, it would be necessary to replace the present section with one reading as follows:

Then the proposed amendment to section 94A is reproduced. I may say that I am reading there from the appendix to *Hansard* of January 22.

Indeed, I might point out that in our discussions with the provinces to date there has been an indication that the proposed amendment is not wide enough to accomplish the objective we have in mind. I refer specifically of course to the letter from the premier of Saskatchewan which was tabled in this house today and in which Mr. Lloyd suggests that the proposed section 94A—that is to say the amendment we propose—could be interpreted by the courts as being too narrow to cover a contributory graduated old age pension plan which would include pensions to widows and children and to contributors who become disabled before they are old.

We do not accept that view. However, I mention it in order to point out that here is a provincial premier writing, with the advice of his constitutional advisers, to say that possibly the amendment we propose does not go far enough to enable it to embrace the things which we want to see in such a scheme. Although we do not accept that view, I suggest that it is as valid as is the view of my hon. friend, or indeed that it is more valid than is the view of my friend the hon. member for Essex East who says, on the basis of an authority which he does not cite, that we do not need any amendment at all to section 94A in order to include such a scheme.

Mr. Monteith (Perth): It is only his opinion.

Mr. Fulton: We do not agree with the view of the premier of Saskatchewan. We think that our amendment is wide enough. But there certainly is authority for the proposition that an amendment, a broadening of the powers of the federal government as now contained in section 94A, is essential if we are to have a sure and sound ground on which to found legislation providing a scheme such as that which we have in mind.

Indeed I have also pointed out—and I come back to this point—that this view or this opinion was published in the Clark report in 1959 and that no one, including my friend the hon. member for Essex East, from that day to this or rather from that day until yesterday has ever suggested that the opinion there recorded was inaccurate or incorrect. I wonder why it is left until this late date for my friend from Essex East to raise this point. Is the reason that he recognizes that he requires some foundation of subterfuge, shall I say, in order to get away with the half-baked scheme they have proposed?

Mr. Starr: Half-baked promises.

Mr. Fulton: My friend the Minister of Labour says "half-baked promises". Indeed, perhaps we should call it quarter-baked, as it has had to be amended and brought up to date. I think the reason why my hon. friend raises this point now must be found in the fact that he realizes that without such a constitutional amendment indeed their scheme cannot be brought in, that they did not give consideration to the point, and that therefore he has now to pretend that no constitutional amendment is necessary. But on second thought, Mr. Speaker, perhaps one could admit that no constitutional amendment might be necessary to bring in the Liberal scheme, which does not appear to exist in fact at all

but only in print; and if this is so and my hon. friend's argument is right with respect to the scheme he envisages, then I suggest to you and the house that this leads us to one obvious and inescapable conclusion. It means that their scheme is not as comprehensive, not as satisfactory as the scheme which we wish to bring in; and of course, sir, this is the only conclusion.

Mr. Martin (Essex East): Another promise.

Mr. Fulton: This, of course, is quite in keeping with the attitude of the Liberal party which, in spite of their fervent protestations that they do no want to indulge in a bidding contest for the support of the electors, has been doing that increasingly over the past 18 months. The bidding contest culminated in the meeting of this January when they suddenly realized that they had not been outbid, no, but that their bid had been exposed not as a bid but as a sham.

So they hastily amended this particular scheme and rewrote a number of others apparently in a frenzy of fear. Notwithstanding that I think we are all left, as the Canadian people are left, with the unanswered question whether even these new guide lines for the Liberal party laid down by the hon. member for Essex East (Mr. Martin) and the hon. member for Bonavista-Twillingate (Mr. Pickersgill) will have the result desired by Liberals of providing a satisfactory antidote to that song about the poor little sheep who have gone astray, doomed from here to eternity.

Some hon. Members: Hear, hear.

Mr. Speaker: I know that the applause is not for me. Does the hon. member wish to raise a point of order?

Mr. Martin (Essex East): I want to put a question, but before doing so may I say I am sure that some of the applause was for Mr. Speaker. I should like to ask the Minister of Justice (Mr. Fulton) this question. In view of the fact that he was aware of the opinion given by the deputy attorney general of Canada to the Minister of National Health and Welfare (Mr. Monteith) in 1959 and in view of the promise of the Prime Minister (Mr. Diefenbaker), will the Minister of Justice explain why the government did not bring forward a contributory scheme at that time?

Mr. Fulton: Mr. Speaker, I am sorry it is necessary to reiterate what has already been said. The Prime Minister and the Minister of National Health and Welfare told the house of our hope that in consultation with the provinces we would be able to devise a satisfactory formula for amending the constitution in Canada, a project upon which we embarked in July of 1960 with very real hopes that we would be able to reach an early solution of that problem. It is only in the last few months that it has become apparent that we may not be able to reach a solution as early as we had hoped. We have now decided that the proper course is to submit this proposal to the provinces in the old way, a way we regret, which would involve applying to Westminster to make an amendment, but owing to the intransigence—perhaps I should not say "intransigence", but rather, owing to the difficulties which certain of the provinces have found in accepting the formula—it appears that this is the only method of proceeding.

Mr. Martin (Essex East): That is the best yet. We have never had anything as fanciful as this reply.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I have listened with interest to the debate on the resolution, the debate on the bill and particularly to the dramatic eloquence of the hon. member for Essex East (Mr. Martin). You know, Mr. Speaker, when he was speaking this afternoon I was suddenly reminded of a time in November, 1932 when I attended a convention of the British Columbia Liberal association in the hotel Vancouver. I remember the late Right Hon. Ian Mackenzie saying, when dealing with the question of old age security, "Ladies and gentlemen, the flaming sword of Liberalism is about to descend on the decadent head of Toryism". I think the mannerism, eloquence and style were very similar.

I was also interested in the mellow but very well delivered apologia of the Minister of Justice (Mr. Fulton). I thought he made a very good case for the government's delinquency so far as this legislation is concerned. But, Mr. Speaker, I rise to express my support for this measure as providing for at least a minor improvement in the economic circumstances of many of our senior citizens. However, I must remind the house that in view of the statements made by the Prime Minister (Mr. Diefenbaker) in 1958, with all their sense of urgency, and in view of the appointment of the gentleman—I forget his name—

Mr. Martin (Essex East): Huson.

Mr. Herridge: Professor Huson—to deal with this matter and his later resignation because he could not deliver a report within the required six months—

Mr. Martin (Essex East): Four months.

Mr. Herridge: In a few months anyway—and in view of the tabling of the Clark report in 1959, I think it is a bit odd on the part of the Minister of Justice to tell us now, after

the government has had from 1959 to deal with the matter, that they are now going to give consideration to an over-all security pension plan.

We have been kept in a state of suspense. We have had these many months of anticipation, and it is quite right to say that we on the opposition side feel as though we have been somewhat let down. It is because of that feeling that there have been rather caustic and cryptic remarks by various speakers in the official and unofficial opposition.

We are seriously disappointed that the government has not presented an over-all retirement plan as a result of the opportunity it has had to study the well publicized Clark report. I want to say before I go any further, because I want to be as non-partisan and constructive as possible, as is the practice of the group for whom I am speaking at the moment, that we dislike the question of old age security and related legislation being placed on the auction block of election expediency from year to year. This serious and important question is one that we believe should be treated on a strictly non-partisan basis. While criticizing government measures we should in debating this question offer some constructive proposals. I think there have been a number of constructive proposals offered by various spokesmen on the opposition side of the house.

I am sure that all of us will agree that all members are aware of the need for an over-all retirement pension plan covering all groups in our society. All members recognize the responsibility of this parliament to the people of Canada to provide this plan as soon as possible. I am sure all of us recognize that this nation has the financial ability to meet the needs and the rights of our senior citizens to participate in the benefits of production and the standard of living that the great majority enjoy at the present time.

I have read a lot on this subject and I am really going to be quite brief. But I do want to make my voice heard on this occasion because I have spent all my life fighting for the underdog or on occasions tilting at windmills.

I thought this was a very good paragraph in an article by Mr. Harry J. Waisglass in the *Canadian Welfare* magazine of July 15, 1961. When describing the right of our senior citizens to participate in the wealth of the nation, he had this to say:

> Another objective of social security systems might be to distribute productivity gains more equitably, not only between economic classes or between geographical regions within the nation but also between the various generations of the population. The aged have a right to share in current productivity gains, which are attributable largely to the contributions of earlier generations in building our current stock of social and business capital and technology.

This measure is a recognition, to a limited extent, of the right of our senior citizens to gain from this increase in our national productivity. As I said before, I do not think anyone in this house questions the ability of the Canadian nation to finance a sound and equitable national pension scheme to cover all our citizens. I think the great difference of opinion is as to method and as to the mechanics of the scheme. That is where the great difference of opinion comes.

We believe, Mr. Speaker, as other speakers have mentioned before, that the plan should provide a basic security pension for our industrial workers, farmers, self-employed persons, those in the public service, in fact all Canadians. This is going to mean considerable integration of private and public pension plans in an over-all national pension scheme.

How should it be financed? We in this group believe it should be financed in two or three ways. First, it should be financed by a measure of taxation which has to be determined by the circumstances of the time. Second, it should be financed by contributions from the employer, from the employed and from the self-employed. Third, we stress that under present circumstances pension funds are largely invested by insurance companies in certain companies and private investment schemes across the country. We in this group believe there is an excellent way of financing this pension plan, while at the same time providing the funds that are necessary for certain national publicly owned projects in this country. This plan could be partly financed also from the profits on invested funds, contributions and so on, in public ownership projects, such as power projects, highways, hospitals, schools and necessary services. All of these are self-liquidating projects. We believe that if we mobilize public interest in this, mobilize shall I say that sense of participation in the national pension scheme and in the investment of these funds in self-liquidating projects like the Mica creek dam that has been proposed, a method of financing would be found. Whether you have a capitalist or a socialist society, you cannot operate successfully without having a surplus.

Mr. Rowe: How would you take your funds out of public ownership?

Mr. Herridge: I am very pleased to see the hon. gentleman in his seat. I do not want to detain the house too long, but if he will come to my office afterwards I will give him a lecture in economics.

We do believe that in this third way you could finance a sound pension scheme. As I said before, we recognize the need for a surplus which, in this case, could be applied

to advantage. In conclusion, we in this group urge the members of this house to take an objective approach to this very serious and important question because it is a question for which as yet no satisfactory solution has been found. This is only another piecemeal approach to the problem and towards the development of an over-all national retirement scheme. We believe also that to secure the support that is necessary for such a scheme, to place it on the soundest possible foundation, we have to get public co-operation. We have to get the public of Canada talking, not about the government's pension scheme but about our pension scheme. I think that is the road to success. We should do away with this idea that the government produces cash from somewhere and dishes it out to people who need it. No government provides anything for anyone without first taking something away from someone. I think we should understand that.

Mr. Monteith (Perth): The hon. member for Essex East (Mr. Martin) does not understand it.

Mr. Herridge: I am glad to know that my Conservative friends opposite realize I am quite sound. We believe that two and two make four. We believe the public should be fully informed of the details of any plan. Public relations are necessary in this respect as to the cost of any plan. You do not get something for nothing. All this talk about things being free is wrong. When it comes to a question of private charity and things of that sort, there is such a thing as something for nothing. However, generally speaking, you do not get something for nothing. If it is worth anything, you have to pay for it or somebody else has to pay for it.

Then, there should be discussion and information on how the funds are to be provided and the details as to benefits. I do urge we approach the problem from this point of view. In order to ensure success, we have to have the understanding and co-operation of the Canadian people. I am sure that a sound plan can be devised and if the public are fully informed it will receive their support.

Now, in conclusion, Mr. Speaker, I do urge that this be the last occasion on which we nibble at this problem. I do urge the government to give consideration to the ideas we have placed before the house. As Winston Churchill said on one occasion, let us organize our thinking in this respect; let us develop a national pension plan and in so doing let us bring the magic of the law of averages to the rescue of millions.

Mr. H. C. McQuillan (Comox-Alberni): Mr. Speaker, it is indeed an honour to follow the hon. member for Kootenay West (Mr. Herridge). In many respects our thinking runs parallel. We are both rated as lumber barons from British Columbia. I really enjoy his mouthings of socialist dogma such as I hear sometimes because I know the hon. member resents a planned economy quite as much as I do.

There are two reasons, Mr. Speaker, why I wish to speak on this bill.

Mr. Herridge: Would the hon. member permit a question, Mr. Speaker? I could not hear what he said, but it has been passed along to me by my confederates on the left. Did the hon. member say I resented a planned monopoly?

Mr. McQuillan: You resent a planned economy.

Mr. Herridge: No, I was referring in this statement to the need for a planned economy.

Mr. Jones: Like in Saskatchewan, where they only give $2.50 per month for old age assistance.

Mr. McQuillan: There are two reasons I wish to speak on this bill. One is that as a result of climatic conditions in Comox-Alberni, we have a higher percentage of old age pensioners than any other part of Canada. Another reason is that I happen to occupy a seat that was held by one of the greatest members who ever sat in this parliament, the late A. W. Neill. Despite all the protestations of the Liberal party and new party, the late A. W. Neill played a very important part in bringing about the introduction of old age pensions in Canada. He was an independent member for Comox-Alberni and, as such, his support was badly needed by the late Right Hon. Mackenzie King in 1926, in order to retain power as government.

Mr. Neill has often told me the story and I may be pardoned for going back into history a little bit because that has been done so many times today. This is an entirely different story from what I have heard from members of the new party group and of the Liberal party, and I believe most of us will find it interesting. In order to win Mr. Neill's support, the late Right Hon. Mackenzie King undertook—and he was working with the late Mr. Heaps and the late Mr. Woodsworth—to introduce old age pensions. Mr. Neill told me "We had everything set. The Prime Minister agreed to introduce the legislation. He did introduce the legislation but behind our backs he made a deal with members of the other house to kill the legislation when it reached there." In view of statements and press reports of

speeches made by some of the leading lights in the Liberal party, I wonder whether this legislation is not also going to be killed in the other place. I leave that thought in your minds.

The new party group are loud in their protestations and appeals for greater help for the old age pensioners and for the middle-aged who cannot fit themselves into industry. I am going to suggest one way by which they and their colleagues, the labour unions, might help. It is a suggestion I want my hon. friend from Kootenay West (Mr. Herridge) to listen to, because I think he will go along with the idea. There are few companies in Canada today which do not operate under a union agreement in which there is a maintenance of members or, in other words, a closed shop.

From experience I know there are often casual part time jobs which could be quite well filled by old age pensioners and others who have found themselves unemployed in their later working years. There is a still greater number of jobs that might be filled by those over 55 years of age but, in every case where there is a union agreement, the union insists that should these men be employed they must become members of the union and pay dues regularly. This is an unfair imposition on old age pensioners, and particularly on men past 50 years of age who find themselves unemployed. To join some unions costs $100 and the dues run as high as $9 or $10 per month.

Last fall I learned of a case where a union official insisted on a man 66 years of age joining the union at a cost of $100, or else leaving his job. At the same time, union officials were pressing an old age pensioner, another employee of that particular company, to join the union. However, I made it very plain that if they insisted I would make a public issue of it. In that case they did not insist, but many times they do get away with their bluff.

As I say, it is most unfair of the labour unions, the colleagues of the New Democratic party, to insist upon dues being paid by old age pensioners who are trying to eke out a living, and I believe the members of the new party should prevail on their union colleagues to cease this practice.

I listened with great interest to the hon. member for Essex East, who reminded me a good deal of the blue jays I see in my garden. Once in a while I chase them out of my berry patch and they fly up onto the limbs of a tree, chattering away. When I throw a stone at them they fly to another tree and keep on chattering. They never stop and, so far as I am concerned, I shall always think of the hon. member for Essex East as a blue jay or camp robber. Sometimes those birds are known as whisky-jacks.

Mr. Fulton: It is the hon. member for Bonavista-Twillingate who is the Jack.

Mr. McQuillan: We heard a great deal this afternoon about the United States social security program. I do not like to fill out speeches by quoting from newspapers and *Hansard*, but on this occasion I feel I must read an article in tonight's Ottawa *Citizen* written by Harold Morrison, Canadian Press staff writer. It reads:

> U.S. Social Security like a giant lottery—The United States old age pensions system—known as social security—is somewhat like a giant lottery where most contributors get something in return but a few persons get the big prizes.
>
> In operation for a quarter century, the contributory system provides for monthly pensions ranging from $40 to $127 for single persons and from $60 to $191 for married couples.
>
> Built up through a special tax levied on wage-earners, employers and the self-employed, this pension is payable to contributors reaching the age of 65. A reduced pension is paid to those retiring at 62.
>
> A survey by the social security administration shows that 58 per cent of the beneficiaries are receiving $75 a month or less. About 41 per cent get $55 a month or less and 21 per cent get $40 or less.

This is what has been portrayed to us as the pension scheme to meet all pensions, but as I read this report I can state it is not the pattern we should follow as the pattern to end all patterns.

I cannot help returning to the hon. member for Essex East who talked about how the Liberal party initiated all the social security legislation which we have.

Mr. Martin (Essex East): That is right.

Mr. McQuillan: He knows it is not true by any means.

Mr. Martin (Essex East): I said all the basic acts.

Mr. McQuillan: I have a letter here from a fine old lady in my constituency who writes to me occasionally. She is a forthright old lady and in this letter she says, referring to the Liberal party:

> Twenty years is a very long time. Had they not promised so much and kept those promises which they could, not which they made, they perhaps could have been in there still. John Diefenbaker has done more for the old age pensioners than any prime minister before him.

Mr. Hazen Argue (Assiniboia): I have listened for some time to hon. members in all parties attempting to gather as much credit as possible for the old age pension legislation that we have had over the years and the old age pension legislation that is now before us. I do not think any government bringing in

improvements to old age pension legislation can successfully claim for itself total credit for the legislation or for the improvements that are being brought forward.

I had an opportunity to sit in this house from 1945 to 1957 while a Liberal administration was in office. The former minister of national health and welfare, the hon. member for Essex East (Mr. Martin), will agree with me, I believe, when I say that over the years many distinguished members of the C.C.F. party have been helpful in parliament and throughout the country in building a climate which would make improvements in old age pensions possible and acceptable. I think that when we are debating the particular scheme before us at this time all parties in this house conscientiously believe that improvements should be made in our old age security legislation. There may be differences as to degree; there may be differences as to timing, but certainly we want something to be done.

The government in bringing in a measure to increase old age security pensions by $10 a month says it has another scheme, and requires a constitutional amendment in order to provide a national retirement plan. Both the Minister of Justice (Mr. Fulton) and the Minister of National Health and Welfare (Mr. Monteith) say that the government's proposals in this regard are based on the Clark report. Then they say that one of the main reasons, if not the chief reason, why they are convinced they require a constitutional amendment is that the need for such an amendment has been pointed out in the Clark report. Well, the government has had the Clark report for three years. I have in my hand the first volume—the second was issued on the same date—and the letter signed by Robert M. Clark and addressed to the Minister of National Health and Welfare is dated February 12, 1959. What has been the situation in this house? Opposition members of both parties have asked the government from time to time when it intended to take action on the Clark report. What was the standard reply? The government said: we are studying it; we are giving consideration to it. For three long years needy old age pensioners have waited upon a government which has looked upon them in a somewhat callous manner during this period. This present measure is, of course, something of a deathbed repentance. It certainly is a repentance very close to election day. Now the government is saying: Trust us; we shall bring it in and we shall look after you if you return us for another period.

A few years ago the C.C.F. party put forward a pension plan. It was laughed at and ridiculed by people who said it was going to cost too much. The country cannot afford it, they said. There is less ridicule today. The Liberal party has brought forward a plan which goes beyond what is proposed in this legislation. It is a plan which will provide a minimum of $75 a month for single persons—the same amount as was in the plan put forward by this party some years ago. The people of this country want the government to do more and I think this legislation will obtain the support of the Canadian people.

The proposal before us today will cost a great deal of money; old age pension legislation is expensive. But I think that in addition to considering the cost we should consider the plight of many of our retired citizens. We have campaigned for years to improve old age pensions, to increase the size of the payments and to make them applicable to a larger number of Canadian citizens. We have been making some real progress, but I do not think we have gone far enough. Some people have said the political parties are putting old age pensioners on the auction block. I am personally acquainted with a great many people who have retired and who have little or nothing more to live on than their old age pensions. They are interested in the position being taken by the various parties. They are interested in finding out whether or not one party is more advanced than another in this particular field.

I live in the small hamlet of Kayville in Saskatchewan and along the street where I live there are a number of people who are in receipt of old age pensions. There are a number of widows, a number of widowers and a number of couples. As a matter of fact, there are so many people receiving old age pensions on this street that it is commonly known as pension avenue. I know these people personally, and some of them are having a very difficult time indeed. I ask hon. members to reflect and ask themselves how a person with an income of only $55 a month can survive if that income is not supplemented by other means. I think we all recognize that in talking about retirement plans we need to raise our sights and increase the amount of the pension. The plans will be based, to some extent, on the income of the person who obtains the pension during some period prior to his becoming eligible for that pension. One of the main purposes is to get an increase in the amount of the pension to retired persons. Hon. members from this side of the house have been advocating a pension of $75 a month. I speak, now, not from a position where I can state this as the policy of this party; rather, I am voicing my own opinion which I hope will be given consideration. I am suggesting that we should take steps, and take them immediately, to

make certain that people who are retired in this country shall have an income of not less than $100 a month. I do not think that is a fabulous figure even though I see some hon. members opposite are sneering.

Mr. Jones: Even the needy people in Saskatchewan do not get that much. The rate in Saskatchewan is among the lowest in this country.

Mr. Argue: My hon. friend can play politics if he likes. I invite him to help himself. However, I am saying to him, and he can correct me if he thinks I am wrong, the figure of $100 is not a fabulous sum.

Mr. Jones: The hon. member for Saskatoon does not play politics. Charity should begin at home. Why does the hon. member not start by attempting to help the people in Saskatchewan?

Mr. Argue: I repeat that the sum of $100 a month cannot be considered a fabulous sum in 1962.

Mr. Jones: The sum of $2.50 a month is paid in Saskatchewan. That is what the C.C.F. gives the needy people in Saskatchewan.

Mr. Argue: My hon. friend who is running off at the mouth can get up and make his own speech when I have finished.

Mr. Jones: I am just stating facts.

Mr. Argue: I am sure the retired people in Saskatoon would like to know the hon. member's opinion. I am sure the old age pensioners in Saskatoon would like to see the hon. member take a stand.

Mr. Jones: The people of Saskatoon know where I stand in this regard. I stood behind this government to increase the old age pension.

Mr. Argue: Oh, I know this hurts. Tempers are getting short.

The Acting Speaker (Mr. Chown): Order.

Mr. Jones: Two fifty in Saskatchewan.

Mr. Argue: If I may proceed in spite of the continued interruptions of my hon. friend I would say—

Mr. Jones: The two and a half buck boys, that's the C.C.F.'ers.

Mr. Argue: —I do not think $100 is a fabulous sum for a person to live on in this country in 1962. I suggest that a minimum monthly income of this amount should not be beyond the ingenuity of all levels of government co-operating together to provide.

I live in a small community where there are a number of retired people on low incomes. I ask hon. gentlemen to consider for a moment what a person receiving $100 a month might do with a sum that size. I suggest that if you put down $1 a day for food, it is not a fabulous sum. It is only $30 a month. If you put down $1 a day as the cost of operating a home, for upkeep, taxes, fuel and repairs, that is not a fabulous sum. If you put down $10 a month representing the cost of medical and dental care, hospitalization and optical care, that is not a large or generous sum. If you put down $10 a month for clothing, it is not particularly adequate.

An hon. Member: It is too much.

Mr. Argue: Someone says that is too much. Perhaps the sum of $30 for shelter is not adequate and an adjustment could be made. In any event, the figures I have given would total $80 a month and only $20 a month would remain, 65 or 66 cents a day, as the total sum of money available for transportation, recreation, cigarettes if a person smoked, the purchase of gifts for relatives and friends and other miscellaneous items. I suggest that hon. members should have $100 in mind when considering an old age security program.

An hon. Member: How much does the government of Saskatchewan put up?

Mr. Argue: I do not think $100 is too large a sum. The government is taking steps to provide $65 a month and I think the Minister of National Health and Welfare clearly recognizes that this sum is not sufficient. That recognition is revealed in a speech he made in this house on February 5 as reported at page 531 of *Hansard* when he stated:

> Under the federal unemployment assistance program through which this is achieved—

He was speaking about further increases. I continue:

> —there is no ceiling on the amount which the federal government will share in meeting the individual needs of older persons. It is left to the provinces to determine the upper limit of the additional assistance. For example, if a province were to decide that the upper limit should be $85 or even higher in relation to the special needs of the individual pensioner, we would be prepared to pay 50 per cent of the cost involved, that is of the cost over $65. The federal government would then actually be paying over 88 per cent of the $85.

I point this out to indicate that the minister is sympathetic to the need of providing more than $65 a month, at least in particular circumstances, and to show that in addition to the provisions of the Old Age Security Act and old age assistance the minister says part of the legislative program to deal with the needs of retired people is the Unemployment Assistance Act.

I suggest that we as parliamentarians should bring together when considering a program

of this nature the provisions of the Unemployment Assistance Act, the Old Age Security Act and the Old Age Assistance Act and should say we are prepared to provide a minimum pension of $100 a month based on a means test.

That would not mean that everyone upon reaching age 70 would receive $100 any more than under present conditions everyone upon reaching age 65 receives the old age pension. Of approximately 500,000 people in Canada between ages 65 and 70, about 21 per cent or just under 100,000 receive old age assistance I see no reason why the percentage above age 70 requiring this type of assistance would be much higher than 21 per cent although it might be a little higher.

The proposal I advance would not mean the payment of this additional sum to the wealthy or those with high incomes. However, the adoption of this proposal would provide everyone over age 65 with a minimum income of $100 a month.

The present proposals introduced by the minister will cost the government an additional $113.4 million. I do not have the advantage of the minister's technical staff but from information I have gleaned from his department, I suggest the proposal I have put forward would cost between $110 and $115 million. If my proposal were adopted the government would no longer have to pay through unemployment insurance its share of payments, formerly above $55 and now above the proposed $65 a month. The whole sum would not be an additional cost to the federal treasury. I am certain the government could work out with the provinces a means by which they would come in. The federal government might have to be more generous and pay more than 50 per cent but in any event my proposition would cost the federal treasury less than the total sum to which I have referred.

The adoption of my proposal would have this effect. Canadians who have reached age 65 would be assured of this minimum monthly income even before the retirement plan comes into effect, no matter what the plan might be. The adoption of my proposal would not mean an additional expenditure in this area every year from now on because after the retirement fund was built up—whether it be the scheme put forward by the government, the official opposition or the New Democratic party—the minimum income for almost everyone would be in excess of $100 a month. This cost would steadily diminish and would decrease to almost zero when the retirement plan, whichever scheme might be adopted, is fully operating.

I am suggesting that for people who have reached retirement age in this nation the federal government, in co-operation with the provincial governments, should undertake action to provide this basic minimum income. Someone says, "Oh, that is putting back the means test". Every retirement plan that is put forward has in it a means test. It states that the amount of money going into the plan or being paid into the plan by any person shall be related to his income and that the pension paid out under the plan shall be related to the income, so that if you have a high income you get a relatively high pension. That is certainly a means test.

I realize, Mr. Speaker, that this kind of proposal would take some working out and would require the co-operation of the provinces, but I am suggesting that it is a laudable objective to see to it that Canadians who have reached retirement age shall have a minimum income of much more than $65 or $75 a month.

The concept of old age pensions introduced many years ago was that the nation should undertake a measure to prevent grave hardship or to prevent people from becoming a burden on their relatives. I suggest that our concept now should be changed and that we are undertaking these measures to make it possible for Canadian citizens who have reached retirement age to go on enjoying a fair share of the great production of this country. I think the pension plan we are talking about today is a break-through. It means that we are moving from subsistence pensions to pensions based on a Canadian standard of living. The years ahead will prove that a $100 pension I have been advocating tonight is not fantastic and is not far fetched but is within the competence of governments of this country to provide.

I do not know what progress we are going to make on this particular stage of this particular debate, Mr. Speaker. However, in recent days I have been very much concerned that we should very rapidly pass the legislation that has been placed on the order paper so that, if the Prime Minister (Mr. Diefenbaker) has it in his mind to dissolve parliament at the end of this week, this legislation shall have been passed in the House of Commons. I think I was rushing things a bit too much. I do not think the Prime Minister has any intention at all of dissolving parliament during the present week. I note that the Conservatives are applauding. They do not know what would happen if dissolution took place. In press reports I observe a great deal of speculation with regard to the date of the election, with mention being made of April 9 or May 7. It is a favourite guessing game. I have had occasion to look back on the experience we had in this regard in 1958. Of course they have said, "We could not

have an election on April 16 because that is Monday of holy week and it is out of the question". I observe a nod on the part of an hon. member across the way. The nod was in the other direction in 1958 as the election was held on the Monday of holy week. If this was possible in 1958, I take it that it is possible in 1962.

I go even further. Knowing how the Prime Minister loves anniversaries or loves to think of important dates in the nature of anniversaries, I would think that this particular Monday of holy week would have a great appeal to him. Should this be the case, I am sure this legislation will long have been passed by this house. We shall be able to deal with any important legislation of value which the Prime Minister wishes to place before the House of Commons and we shall have ample time in which to hear and to consider the budget which undoubtedly the government will bring in for the purpose of showing how these programs are being financed and in order to show the Canadian public how the government is keeping track of the accounts of this nation.

We are greatly pleased to support this bill on second reading. We believe that the position of old age pensioners requires the government to go much further than it goes in this bill.

(Translation):

Mr. Georges Valade (St. Mary): Mr. Speaker, I am very pleased to take up a few minutes of the house's time in order to point out to my constituents the advantages resulting from this legislation. I should also like to tell the Minister of National Health and Welfare (Mr. Monteith) that the people of my riding are grateful for the concern he shows for the aged.

Mr. Speaker, when the minister introduced his resolution, I expected to read on the faces of the hon. members opposite, satisfaction at the government's achievements. Unfortunately, they showed only dismay, I would call it electoral dismay because they realized that the Conservatives have succeeded in doing in only five years what they could not do in 25.

I should like to point out that not one single Liberal backbencher has spoken in favour or against this important bill. Their constituents would certainly like to know what their position is in that respect. As for us, Conservative members, we are proud to say that we consider this measure as a practical and appropriate piece of legislation.

The Liberals have chosen the hon. member for Essex East (Mr. Martin) as their mouthpiece, the very same who, not so long ago, under the Liberal administration, was responsible for the government's refusal to increase old age pensions.

I wonder why the Liberals and especially the hon. member for Essex East failed to say who would foot the bill when they demanded this increase.

Mr. Martin (Essex East): The Canadian people.

Mr. Valade: Mr. Speaker, I am glad to have the hon. member for Essex East tell me that the Canadian people are going to pay, because, on March 22, 1957, as may be seen on page 2608 of *Hansard,* while the members of the opposition of that time, the government members of today, were asking for an increase in the old age pension, the hon. member for Essex East, who was then minister of national health and welfare, replied:

> I think this is the proper place for me to make the observation that it is not the government that has to pay for these particular proposals; it is the people of Canada. It comes out of the hard work of the people of Canada and those hon. gentlemen on all sides of the house who do not bear this in mind are not fair in their presentation of this issue.

That is a statement made in March 1957 by the hon. member for Essex East who is now asking for a larger increase in the old age pension. At that time, he denied it to the people of Canada under the pretext that the people had to foot the bill; and today, he demands a larger increase. Those are the inconsistencies that our Liberal friends refuse to see or cannot see because there are none so blind as those who will not see.

Some hon. Members: Hear, hear.

Mr. Valade: Mr. Speaker, I wonder whether it would not be better for those Liberals who are now cheering to stand up and comment on this bill because in 1957, when the Conservatives were asking for an increase in the old age pension, there was nothing in the speech from the throne introduced by the government of the day providing for such an increase. It seemed that the then Liberal government had neglected that class of our senior citizens. The speech from the throne made no mention of an increase in the old age pension; however, at the last minute, in order to secure a political advantage, the

Liberal party offered a paltry increase of $6 a month to our senior citizens. And even on that occasion, not a single Liberal member—and I have checked the official record—asked, on behalf of his constituents, for a more adequate increase in the old age pension rate.

And yet, in 1957, the Liberals had overtaxed the Canadians for almost $800 million. They had centralized in their hands more than 78 per cent of the taxation sources in Canada; but they were shocked when the opposition asked that the old age pension be increased. They were satisfied with granting an increase that was the equivalent of a cup of coffee a day.

Mr. Speaker, what surprises me most, is the attitude of the hon. member for Essex East in this house.

I read with attention the speech he delivered on March 22, 1957 during the budget debate. His contribution to that debate covers seven pages of *Hansard* and amounts to 40 paragraphs. Nevertheless, in that lengthy speech, the then minister of national health and welfare, now member for Essex East, made only two very minor references to the old age pension. This clearly indicates the lack of interest shown by our Liberal friends in the fate of our senior citizens.

The Liberal policy comprises much that is illogical, inconsistent and contradictory and it shows most of all in the attitude of the hon. member for Essex East. That is why I should like to remind the house of what the hon. member said here on February 5, 1962, that is last night, and I quote from page 534 of the official report:

(Text):

This particular government displays its great interest in the social welfare of our people on the eve of a general election.

(Translation):

It is the story of the culprit who accuses. It was the culprit who found himself under accusation last night. As proof of this, I shall quote an article on the budget published in the Ottawa *Journal* of March 15, 1957:

Why has the government which—

I am speaking of the Liberal government of the time and of the then minister of health and welfare, who is now member for Essex East; I quote:

Why has the government which levies taxes, makes expenditures and accumulates large surpluses waited until now to provide some assistance to the old people?

This is what was being said about the minister of national health and welfare who proposed at the last minute a $6 increase in old age pensions. There are also others in the Liberal party with the same mentality as the member for Essex East: inconsistency and falseness. To prove my point, I shall quote from *Hansard* of February 5. Those are the exact words used by the hon. member for Essex East according to page 534 of the official report:

(Text):

The Liberal party is the author of every single act of social welfare on federal account that has been enacted in this House of Commons.

(Translation):

Let the applause continue because here is what the hon. member for Essex East said on March 22, 1957, as reported on page 2613 of *Hansard* in reference to a member of the opposition who claimed that his party was the one which had done the most in the field of social security:

He belongs to a party which seeks to give the impression that it alone is interested in welfare measures.

What the hon. member for Essex East claims today, he was then holding against that member of the opposition. As usual, Liberal confusion and contradiction.

At the outset of my remarks I spoke of falseness. Among social pieces of legislation, there is unemployment insurance which was initiated exclusively by the Conservatives.

Some hon. Members: Oh, oh.

Mr. Valade: I see some hon. members laughing. I dare them to prove the contrary, that unemployment insurance was not established by the Conservatives. Better still, to answer them, I shall use the words of one of them, Mr. Chevrier, who, on July 2, 1958 said, and I quote from *Hansard,* page 1834:

Mr. Bennett wanted then to impose a direct tax in order to finance an unemployment insurance fund.

Those are the words of one of your leaders who, himself, said that unemployment insurance had been brought about by the Conservative party.

An hon. Member: There was unemployment, then.

Mr. Valade: Unemployment insurance and hospital insurance have been brought about by the Conservative party. The Liberals spoke about it for 39 years, they discussed the matter for 39 years and, within two years, the Conservatives had put these social measures into effect. The Conservative are making these grants, while the Liberals then had a surplus of $800 million; it is the Conservatives who, today, have to pay the debt they inherited

and who are still making these payments. Hospital insurance, the benefits of which all Canadians are sharing, is a Conservative party achievement. Above all, the inadequate pension plan introduced for electoral purposes by the Liberals was raised to an acceptable standard by the Conservatives. We have improved this social legislation from a human point of view. We have given it a truly social character, in that we have seen to it that it met the needs of those for whom it was meant.

Mr. Speaker, in view of the fact—

An hon. Member: What about family allowances?

Mr. Valade: I shall come back to that.

But in view of the fact that I have only a few seconds left, I should like to point out a glaring contradiction in the present views of the Liberal party and the views they held when they were in power. I wish to point out a contradiction between the hon. member for Essex East (Mr. Martin) and the hon. member for Bonavista-Twillingate (Mr. Pickersgill).

In *Hansard* of February 5, 1962, the hon. member for Bonavista-Twillingate is quoted as saying:

I thought it worth while to send out and get the cost of living index to see what the situation was.

And the member for Bonavista-Twillingate says to his colleague: I will study the cost of living index to find out if the government is really increasing the pension to meet the increased cost of living. On the other hand, the minister of national health and welfare in the former Liberal government, now member for Essex East, adopted an attitude entirely different from the one his colleague from Bonavista-Twillingate is taking today, since, as shown on page 2610 of the official record for March 22, 1957, he said:

I do not mind saying, as I said on another occasion, that to relate these benefits . . . is a dangerous thing—

About the increase in old age pensions, he said:

—to relate these benefits to the rise or decline in the cost of living or even to the gross national product can be a dangerous thing because if that standard is maintained at all times you could create a situation leading to pressure for reductions.

That is a completely opposite attitude on the part of those two colleagues, of two of the four horses of the Apocalypse, who are sitting together.

Here you have a contradiction in the understanding of the problem, thanks to which the population can realize that the present attitude of the Liberal party is not based on honesty, but rather designed to mislead the people. This is granting them credit they do not deserve. Fortunately, the population very well realizes that the Conservative party has achievements to its credit, that it has taken an interest in that category of our older people, by giving them an adequate pension which will allow them to live honourably.

Before concluding my remarks, Mr. Speaker, since I have to cut short, I must at least say that this legislation will bring a considerable assistance to the class of citizens covered by this bill, particularly in my riding.

In my constituency, there are two large homes for aged people. So far, until the Conservative administration came to office, those institutions could hardly make both ends meet; pensions granted by our friends the Liberals were then inadequate. Today, I am happy to see that this increase will bring our institutions at least a worth-while income which will enable them to balance their budget.

I would like to publicly pay homage to our dedicated nuns who are devoting on a purely benevolent basis, their time, their health and their patience to the care of the aged.

On behalf of the voters of our district, I wish to thank you, Mr. Minister, for introducing this bill. I wish to congratulate you and I know that the people of Quebec will offer you their thanks by re-electing the Conservative government to office in the forthcoming election.

(Text):

Mr. Walter Pitman (Peterborough): Mr. Speaker, I do not wish to hold up the passage of this bill this evening but there are one or two remarks I want to make before it passes. I believe that all of us are treating this subject with the seriousness it deserves. I think all of us have old age pensioners in our constituencies. We might not have fishermen or wheat farmers, but we certainly are concerned about old age pensioners. I could not help feeling that there has been a slightly unfortunate emphasis during this debate. Perhaps if I were an elderly person I would feel like a beggar with my hat in my hand wondering on which side of the street to stand.

However, if anything has been proven by this debate it is that all three parties have played a major role in bringing about old age pensions in this country. Perhaps the emphasis should not be upon what we have done or, what we would have done, but rather it should be upon what we have invested in by this scheme. I feel we should take the emphasis off charity in so far as the old age pensioners are concerned. Surely what has happened over the past few years has convinced us whether we are farmers

or fishermen or storekeepers or lawyers that what we are really doing is investing in the elderly people. It is only through these transfer payments that we can keep our society going. This certainly has been proven by the events of this last winter when we had so many people unemployed because without the transfer payments by old age pensions, unemployment insurance, family allowances and so on, our whole economy might have broken down.

Surely, we should think about this and recognize that old age pensioners have no reason to thank us, no matter to what party we belong. We are lacking in markets. We are worried about foreign markets. Sometimes we forget that the most valuable market we have is the home market. The nearly one million old age pensioners which we have represent one of the most valuable markets we have, no matter in what part of the economy we happen to be working. I was very interested in listening to Dr. T. R. Langley, the retired chairman of Canadian General Electric. He was talking about this very matter, the fact that we cannot entirely depend upon increasing exports and production. We must look to our aged, to those people who are in the lower bracket of our economic system, to provide these markets for products which we are going to be producing in our industry.

My second and last point is that it is very unfortunate we have made political pawns of the aged. I think this strikes at the very basis of our whole political morality. I was talking to a doctor in my constituency last week end. He was saying to me, laughingly that it was too bad we did not have the old days in politics when you got a bottle of whiskey because then you knew what you were getting.

An hon. Member: Yes, some headaches.

Mr. Pitman: Perhaps they did get a few headaches, but perhaps the headaches will come later when we have to pay for these things. What we need now is a new concept for determining what old age pensioners should receive. Could we not find some way of adjusting old age pensions automatically? Surely, there are two criteria. One factor would be need and the other would be what we could pay as a nation. I think the hon. member for Kootenay West (Mr. Herridge) brought a very important element into this discussion when he suggested that two and two make four. We can only pay as a nation by taking something from somebody.

Could we not adjust the pension according to the cost of living, making this automatic adjustment every three months? This procedure would take pensions out of the election campaigns completely. Do we have to wait for three years after a report has been made? Do we have to have the charge and countercharge of political auctioneering going back and forth across this chamber? I do not think so. I can assure the minister his bill will get through this evening, so far as I am concerned. I have only one more sentence to complete my remarks.

Is there not another criterion, and that is what we can afford. Could we not adjust the pension to production? As has already been suggested in this chamber, the elderly people of this nation have a right to a share in the increasing productivity. They have just as much right to this as our labour force or those who are in management in the present industrial picture. Well, those are some of the comments which I should like to place before the minister. I hope that we will get out of this political vote-getting campaign. I hope that we can decide what portion of our national income our old age pensioners may justifiably receive. I hope that very soon we will be working on a contributory scheme, and that we will not have to wait until another election campaign to adjust the pension. I certainly hope that these criteria may be regarded as acceptable in a nation that has all the opportunities that Canada has.

Mr. Speaker: I must inform the house that if the minister speaks now he will close the debate.

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, in closing the debate on second reading of this bill I shall be very brief. I should like to pay tribute to my colleague, the Minister of Justice (Mr. Fulton) for the very complete manner in which he handled the question of a constitutional amendment.

I am sure the hon. member for Essex East and the hon. member for Bonavista-Twillingate must be convinced now that no matter what scheme they bring in, providing it is one of their own plans, it will need a constitutional amendment.

Mr. Martin (Essex East): We were very disappointed with his speech.

Mr. Fulton: I am sure you were.

Mr. Monteith (Perth): It must have hurt.

Mr. Benidickson: Just a lawyer's argument.

Mr. Monteith (Perth): The Minister of Justice referred to a discrepancy in the remarks made by the hon. member for Essex East who talked about people living in Windsor, working in the United States, and receiving pensions of $300 a month. I should like to point out that in tonight's *Citizen*, on page

30, there is an article dealing with the United States social security system which states:

> The contributory system provides for monthly pensions ranging from $40 to $127 for single persons and from $60 to $191 for married couples.

Mr. Martin (Essex East): Nonsense.

Mr. Monteith (Perth): I have a booklet in my hand entitled "Your Social Security, Old Age Survivors and Disability Insurance Benefits under the Social Security Law of the United States." It agrees with the article to the effect that single persons may reach a pension of $127 a month and that two surviving children may receive $191 a month. Indeed it goes so far as to come up with a maximum family payment of $254 a month, which was the figure quoted by the Minister of Justice.

Mr. Martin (Essex East): Read the Clark report at page 324.

Mr. Monteith (Perth): I should like to point out that had there been a Liberal government in power since 1957, at which time the Conservative government increased pensions by $9 a month, recipients of old age pensions during the four years ending November, and carrying on through December and January, 1962, would have received $468 less than they did under this government. It is a simple matter of mathematics.

The hon. member for Essex East even had the nerve to suggest that the Old Age Security Act in Canada is the only one of its kind in the world, as it has no means test. New Zealand and Sweden had universal no means test pensions long before Canada adopted its old age security provisions.

Mr. Martin (Essex East): You do not even know the act, I am sorry to say.

Mr. Monteith (Perth): The Minister of Justice also covered the ground in dealing with where the Minister of Finance stood. In closing I would simply like to say that the hon. member for Essex East gave a very entertaining speech and in my humble opinion he should have been where the hon. member for Quebec West suggested he should be yesterday, and that is on the stage. I shall see he gets a job at the Stratford Shakespearean festival if he cares to come there.

Mr. Churchill: Do not ruin the festival.

Mr. Benidickson: In "As You Like It."

Mr. Monteith (Perth): The member for Essex East talked about good faith. I would suggest that this government has shown better faith with the people of Canada since June 10, 1957, than any other government in the history of Canada to the present time.

Mr. Benidickson: Are we going to get a budget?

Mr. Speaker: I would point out to hon. members that the minister is still speaking.

Mr. Benidickson: But, sir, we want to know whether we are going to get a budget.

Mr. Monteith (Perth): It is encouraging to get such applause, which means I must be correct. There is one thing I wish to point out to the hon. member for Assiniboia. He said needy old age pensioners have been waiting for this for a long time. However, they have been waiting a lot longer in Saskatchewan than in any other province in Canada.

Mr. Argue: That is not true.

Mr. Monteith (Perth): It is simply because the Saskatchewan government did not give the old age pensioners in that province a sufficient supplemental allowance of which, of course, the federal government pays 50 per cent.

Mr. Argue: I wonder would the minister be prepared to place on the record the supplemental amount paid in each province. I think those figures will dispose of his statement.

Mr. Monteith (Perth): Up until April, 1961, the grand total in Saskatchewan was $2.5. It is more today, I admit. Now, Mr. Speaker, the hon. member for Kootenay West (Mr. Herridge) suggested we should have an objective approach. That is all we have. It is the most objective approach of any government in the history of Canada.

Motion agreed to, bill read the second time, considered in committee and reported.

Mr. Speaker: When shall the bill be read a third time?

Mr. Monteith (Perth): At the next sitting of the house.

Mr. Martin (Essex East): Can we not pass it right away and get this money to the old age pensioners?

BUSINESS OF THE HOUSE

Mr. Martin (Essex East): In giving us the business of the house for tomorrow would the minister tell us if we shall have a dissolution tomorrow?

Mr. Churchill: We shall take the third reading of this particular bill tomorrow, followed by the three resolutions standing in the name of the Minister of National Health and Welfare.

Mr. Martin (Essex East): It is too bad we could not have passed all these today.

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

APPENDIX

LETTERS FROM PROVINCES RESPECTING CONSTITUTIONAL AMENDMENT

THE PREMIER

Halifax, January 19, 1962.

Dear Mr. Prime Minister:

I wish to acknowledge your letter of January 17 regarding a proposed addition to section 94A of the British North America Act.

I will consult my colleagues regarding the proposal and write you further shortly.

Yours sincerely,
R. L. Stanfield

Rt. Hon. John G. Diefenbaker
Prime Minister of Canada
House of Commons
Ottawa, Canada.

Regina, January 19, 1962.

The Right Honourable J. G. Diefenbaker, Q.C.,
Prime Minister of Canada,
Ottawa, Ontario.

My dear Prime Minister:

Thank you for your letter of January 17 in which you propose an amendment to the British North America Act to replace the present section 94A. My colleagues and I will be pleased to consider the request contained in your letter and I will write you further at the earliest possible moment.

Yours sincerely,
W. S. Lloyd

OFFICE OF THE PREMIER

Winnipeg, January 24, 1962.

My dear Prime Minister:

I have your letter of January 17 in which you ask for the concurrence of the province of Manitoba in a request for an amendment to section 94A of the British North America Act to permit the inclusion in a contributory graduated old age pension plan of benefits payable under certain circumstances to widows and children and to contributors who become disabled before they are old.

The matter will be brought before the Manitoba legislature at its forthcoming session by seeking the concurrence of the house in a resolution approving of the amendment.

Yours sincerely,
Duff Roblin.

OFFICE OF THE PREMIER

Edmonton, January 24, 1962.

Right Honourable J. G. Diefenbaker,
Prime Minister of Canada,
Ottawa, Ontario.

My dear Prime Minister:

I wish to acknowledge your letter of January 17 relative to the amending of section 94A of the British North America Act.

Careful consideration has been given to your request. The government of Alberta is prepared to concur in the proposed wording of section 94A as stated on page 2 of your letter of January 17.

Yours very truly,
E. C. Manning
Premier.

(Translation):

OFFICE OF THE PRIME MINISTER

Province of Quebec, January 24, 1962

The Right Honourable John Diefenbaker,
P.C., Q.C.,
Prime Minister of Canada,
Parliament Buildings,
Ottawa, Ont.

My dear Prime Minister,

I have submitted to my colleagues your letter of January 17, in which you suggest that the constitution be amended to enable the parliament of Canada to make laws in relation to

(b) "pensions and other benefits incidental to, or conducive to the better operation and administration of, a scheme of old age pensions".

You will readily appreciate that we cannot come to a decision until accurate details of the pension scheme you intend to introduce are made available to us. We certainly could not submit to the legislative assembly a proposition such as the one you are now making without being able to explain clearly and fully what the proposed legislation is about.

You will no doubt recall that, before suggesting to the provinces the constitutional amendment made in 1951 with the consent of parliament and of all the legislatures, a joint committee of the Senate and the

House of Commons, of which I was joint chairman, had made a comprehensive study of the matter at public hearings. On the basis of the committee's report, the federal government was then in a position to make clearcut proposals to the provinces. When they accepted the suggested constitutional amendment the provinces, knew exactly what measure the government was going to submit to parliament.

I sincerely believe it to be essential that your government supply the provinces with the details of your plan before asking them to propose to their legislatures that they agree to a constitutional amendment.

Only when all the required information is available to us will it be possible for the Quebec government to have some opinion on the desirability of the proposed amendment.

I intend to table copies of your letter and of my reply in the Legislative Assembly next Tuesday.

Yours sincerely,
(signed) Jean Lesage

(Text):

THE PREMIER

Halifax, January 26, 1962.

Dear Mr. Prime Minister:

Further to my letter of January 19 regarding a proposed addition to section 94A of the British North America Act, I have now had an opportunity to consult with my colleagues in the government.

The government of Nova Scotia has no objection to the proposed amendment.

Yours sincerely,
R. L. Stanfield.

Rt. Hon. John G. Diefenbaker
Prime Minister of Canada
Ottawa, Canada.

THE PREMIER

Prince Edward Island, January 29th, 1962.

The Right Hon. John G. Diefenbaker,
Prime Minister of Canada,
Ottawa, Ontario.

My dear Prime Minister:

In answer to your letter of January 17, the government of this province is in agreement that a request for an amendment to section 94A of the British North America Act in the form designated in your letter should be approved.

Yours sincerely,
W. R. Shaw,
Premier.

Regina, February 2nd, 1962.

The Right Honourable J. G. Diefenbaker, Q.C.,
Prime Minister of Canada,
Ottawa, Ontario.

My dear Prime Minister:

I am pleased to advise you that my colleagues and I concur with the federal government's proposed amendment to section 94A of the British North America Act as outlined in your letter of January 17, 1962. I assure you that the government of Saskatchewan will support any genuine effort on the part of the federal government to improve the Canadian social security system.

While we concur with the proposed amendment, I feel obliged to point out that our legal advisers have expressed some doubts about its wording. Their concern is that the proposed section 94A could be interpreted by the courts as being too narrow to cover a contributory graduated old age pension plan which would include pensions to widows and children and to contributors who become disabled before they are old.

If the government of Canada wishes to discuss in more detail Saskatchewan's reservations about the wording of the proposed amendment, we are prepared to do so at any time.

Yours sincerely,
W. S. Lloyd.

(Translation):

Ottawa, February 3, 1962.

The Honourable Jean Lesage, P.C., M.P.P.,
Premier of Quebec,
Parliament Buildings,
Quebec City, Quebec.

My dear Premier:

I have considered the request in your letter of January 24 for more precise details of the pension plan we would ask parliament to establish under the extended powers we are proposing should be granted to parliament in section 94A of the British North America Act. You say you would not place before the legislature a proposal to amend the constitution without explicit details of the proposed legislation to be enacted by parliament after the constitutional amendment is made.

You and the premiers of the other provinces have already been informed of the essential feature that we wish to include in such legislation which requires an amendment to the British North America Act. The amendment is not one that diminishes in any way the powers of the provincial legislatures, for it would provide that no law passed under it would affect the operation of any provincial law relating to the same subjects.

Under the amendment we are proposing, parliament would be granted a slightly more extensive jurisdiction, to deal with old age pensions in a way that will also take account of the needs of widows and children and disabled persons. We are not proposing here the exercise of delegated legislative power or a joint dominion-provincial plan.

It is a recognized constitutional principle that a provincial legislature does not take responsibility for the explicit details of the terms in which parliament would use the powers given it by an amendment. Indeed the whole purpose of the amendment is to enable parliament to take that responsibility itself.

In the circumstances, therefore, I feel it would be improper for the government of Canada to submit for the approval of a provincial government and legislature the details of legislation which it is contemplated parliament would enact following such amendment.

I hope that you will give further consideration to the request contained in my letter of January 17, as many persons in all parts of Canada are asking for the benefits of the legislation which would follow this constitutional change and which, as I see it, would in no way affect the rights of provinces.

Yours sincerely,

John G. Diefenbaker

HOUSE OF COMMONS

Wednesday, February 7, 1962

The house met at 2.30 p.m.

CANADIAN CONSTITUTION

MR. DIEFENBAKER—CLARIFICATION OF REMARKS IN DEBATE ON FEBRUARY 6

Right Hon. J. G. Diefenbaker (Prime Minister): I rise, Mr. Speaker, to correct a statement I made yesterday as reported at page 579 of *Hansard* with regard to the tabling of correspondence with the provinces. As found in the first column I stated as follows:

> I have not had the consent of the premier of Quebec, although he did make reference to tabling in the reply he gave. I communicated with him by wire, and not having received an answer to the contrary I expect he would have no objection.

I find that the instructions I was given in that regard are not correct and that all the premiers received telegrams asking for consent except the premier of Quebec, who did not receive one because of the fact that he had stated on January 24 that he proposed to table the correspondence in the provincial house the next Tuesday, which was January 30.

QUESTIONS

(Questions answered orally are indicated by an asterisk)

TRI-SERVICE HOSPITAL, OTTAWA

Question No. 16—**Mr. Argue:**

1. When was the first section of the tri-service hospital in Ottawa ready for occupancy?
2. Except for the installation of X-ray equipment, when was the hospital ready for use?
3. On what date did, or will, this hospital come into use?
4. What has been the average monthly cost of maintaining the hospital in each month since May 1961?
5. Which company submitted the lowest tender for the installation of X-ray equipment in the hospital, and what was the bid?
6. Was this bid accepted?
7. If not, why not?
8. What was the bid submitted by Pritchard X-ray Manufacturing, Ltd., of Richmond Hill, Ontario?

Answer by: **Mr. Chambers:**

1. The initial takeover by the R.C.A.F. began on May 11, 1961 and the floors were taken over in sequence until the last floor was completed on August 31. Each floor was turned over to the R.C.A.F. upon completion so that a start could be made on moving equipment and administrative personnel into the building. Before the hospital was ready for occupancy construction deficiencies also had to be corrected.

2. November 27, 1961.

3. November 28, 1961.

4. Average monthly costs of maintaining the hospital in each month since May:

May '61	Nil
June '61	Nil
July '61	Nil
Aug. '61	$ 500
Sep. '61	$ 3,500
Oct. '61	$12,000
Nov. '61	$37,000
Dec. '61	$52,000

5, 6, 7 and 8. Tenders have been submitted and are being considered. The contract has not as yet been awarded.

SIGNAL CABLE, MICROWAVE SYSTEM, ALBERTA-ALASKA

Question No. 38—**Mr. Bourget:**

1. Was a purchase of signal cable made for use in building the micro-wave system from Grand Prairie, Alberta, to Alaska?
2. If so, in what country was this signal cable purchased, and on what terms?
3. Was any such signal cable classified as surplus cable, and had it been used previously?
4. Were prices sought from Canadian cable manufacturers on new cable of identical cable construction for this particular project?
5. If so, what prices were offered?
6. If surplus cable was used on this particular project, what criteria determined the market price of surplus cable?

Answer by: **Mr. Martini:**

The management of the Canadian National Railways advise as follows:

1. Yes.

2. (a) Canada, United Kingdom, and the United States (b) see answer to No. 5.

3. (a) Yes (b) no.

4. Yes.

5. It has not been the practice of the management to disclose prices, but cable purchased by Canadian National Telegraphs was on a competitive bid basis and orders awarded to the lowest tender. Cable purchased by the prime contractor was secured from Canadian and United States suppliers on a price and delivery basis.

6. Some cable classified as surplus, with the same guarantee as newly manufactured

cable, was used by the prime contractor and its market price was determined on the basis of what was considered fair and reasonable.

*JACQUES CARTIER AND VICTORIA BRIDGES—TOLL COLLECTIONS

Question No. 41—**Mr. Pigeon:**

What amount has been collected from tolls on the Jacques Cartier and Victoria bridges during each of the last ten years?

Mr. Martini: As this answer gives statistical information only, Mr. Speaker, I would ask that it be printed in *Hansard* without being read.

Some hon. Members: Agreed.

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

Jacques Cartier Bridge

Year	Tolls Collected
1952	$1,580,577
1953	1,711,415
1954	1,787,766
1955	2,074,710
1956	2,127,832
1957	2,201,338
1958	2,078,767
1959	2,321,913
1960	3,298,362
1961	3,435,657

Victoria Bridge

Year	Tolls Collected
1952	$ 499,000
1953	594,200
1954	608,600
1955	667,900
1956	765,600
1957	915,900
1958	867,300
1959	965,300
1960	904,800
1961	1,109,200

MUNICIPAL SEWER SERVICE, MONCTON AIRPORT

Question No. 55—**Mr. Creaghan:**

1. Has a contract been executed between the Department of Transport and the town of Dieppe for the use of a municipal sewer to service the Moncton airport and departmental dwellings?
2. If so, when, and at what annual cost to the department?
3. If the answer to paragraph 1 is in the affirmative, does the contract or arrangement preclude and prohibit usage of the said sewer facilities by A. J. Melanson, a present user of the same?

Answer by: **Mr. Martini:**

1. No.

2 and 3. Not applicable.

[Mr. Martini.]

R.C.M.P. INVESTIGATION, CHINESE IMMIGRATION—PROTESTS

Question No. 57—**Mr. Argue:**

1. Has the Minister of Citizenship and Immigration received a petition from the Chinese national league, the Chinese Canadian citizens association of Manitoba, and the Winnipeg Chinese culture association protesting the continued R.C.M.P. investigation into Chinese immigration?
2. If so, what was the nature of the reply, and on what date was it sent?

Answer by: **Mrs. Fairclough:**

1. Yes, on November 1, 1961.

2. The reply to the president of the Chinese nationalist league, who wrote on behalf of the organizations referred to, informed him that it was not the government's wish to prolong the special investigation into illegal Chinese immigration any longer than is absolutely necessary; but that the reluctance of numerous individuals to come forward on a voluntary basis resulted in a prolongation of the inquiry for a longer period than would otherwise have been necessary. The letter concluded by authorizing the organizations concerned to give full publicity to the contents of the letter throughout the Chinese community, in the hope that through their wholehearted co-operation, and that of the individuals directly concerned, the investigation might be brought to a conclusion at the earliest possible date.

*GANDER AIRPORT, NEWFOUNDLAND

Question No. 69—**Mr. Pigeon:**

1. When was the airport at Gander, Newfoundland, built, and at what cost?
2. How many commercial aeroplanes have stopped at the said airport each year from 1957 to 1961?

Mr. Martini:

1. The airport at Gander, Newfoundland, was built immediately preceding and during world war II. Capital investment is understood to have been about $20 million. The Department of Transport took over the airport April 1, 1949, and since that time has spent approximately $14 million for further expansion and development of the airport and related facilities.

2.

1957	12,235
1958	11,306
1959	11,487
1960	9,635
1961	9,990

ST. LAWRENCE SEAWAY—FOREIGN PILOT REPORT FORMS

Question No. 80—**Mr. Fisher:**

1. Was the Department of Transport aware that the Shipping Federation of Canada required foreign captains to fill in a pilot report form judging the capability, personal habits, and manners of the pilots assigned to their craft in the St. Lawrence seaway?

2. If so, has the department received any representations from the Shipping Federation of Canada regarding the results of such a survey?
3. If so, with what consequences?
4. If not, did the department ask the Shipping Federation of Canada to prepare judgments of the pilots it employed?

Answer by: **Mr. Martini:**

1. Yes.
2. No.
3. Not applicable.
4. No.

PICKANDS MATHER FIRM SHIPBUILDING PLANS

Question No. 81—**Mr. Fisher:**

1. Has the Department of Transport received any indication that the American shipping firm of Pickands Mather plans to build or is building ships in Canadian shipyards?
2. Has this firm transferred, or given any indication to the department that it plans to transfer, its fleet to Canadian registry?

Answer by: **Mr. Martini:**

1. No.
2. No.

AIRPORT AND ACCESS ROAD CONSTRUCTION, QUEBEC

Question No. 83—**Mr. Martel:**

1. Has the federal government taken any part in the construction of an airport at La Sarre, West Abitibi, province of Quebec, and in the construction of an access road through forest to land north of the said town and of the parish of Vilbois, and of Authier Nord, under the federal-provincial scheme for forest protection and the agreements entered into for the said purpose by Ottawa and Quebec on September 12, 1960, and March 15, 1961?
2. If so, what amounts have been paid by the federal government to the government of the province of Quebec for each of these projects; and, in the counties of Chapleau and Villeneuve, for all other works carried out under these agreements?
3. Have these works been carried out by contract, as provided by section 5 of the agreement dated September 12, 1960, and section 7 of the agreement dated March 15, 1961, in the case of all projects in excess of $5,000; and, if so, (a) have public tenders been called, and on what date (b) have contracts been awarded to whom, and for what amounts (c) on what dates were each of these projects begun, and completed?
4. If such works were not carried out by contract, on what basis were they executed, and what are the names of (a) the workers employed (b) the persons or companies from whom equipment was rented and (c) the persons by whom recommendations were made?
5. Has a new agreement been executed since that date in each case and if so, for what period of time, and will a copy thereof be tabled in the house for the information of members?

Answer by: **Mr. Flemming (Royal):**

1. Yes. Financial assistance has been provided for the projects described.

2. La Sarre airstrip—$14,009.81 up to March 31, 1961.

Two roads in Abitibi-West,

Vilbois and Bourque—$105,720.99 up to January 31, 1962.

Rouyn-Noranda, La Pause road—$48,179.60 up to January 31, 1962.

Deschenes-Mazarin road—$394.16 up to January 31, 1962.

3. No.

4. Works were carried out by day labour. The information requested in (a), (b) and (c) is not in the possession of the federal government, but the province will be requested to provide it, if desired.

5. No. However, an agreement extending the existing access road agreement from December 1, 1961 to March 31, 1962, has been forwarded to the province for signature and a new agreement re airstrips and access roads covering the period April 1, 1962 to March 31, 1964, is being prepared for signature. Copies of agreements will be tabled in house if or when executed.

WINTER WORKS PROGRAMS

Question No. 85—**Mr. Martel:**

1. What is the total number of projects approved so far under the federal-provincial municipal winter works program (a) for Canada (b) for the province of Quebec (c) for each other province?
2. What has been, to date, the share of the federal government to approved projects throughout the country and more particularly in the province of Quebec?
3. What is the total expenditure in connection with the approved projects in each province?
4. What is the estimated total of man-hours of labour to be supplied, having regard to the approved projects?
5. What is the total number of labourers who have been employed to date under this scheme?
6. What is the estimated number of labourers who will be employed during the winter season in connection with all the approved projects?
7. Will the Minister of Labour table in the house a copy of the correspondence exchanged with the government of the province of Quebec concerning the present winter works program?
8. Will the Minister of Labour inform the house as to whether or not any regular inspections of such works are carried out, and by whom?

Answer by: **Mr. Thrasher:**

1, 2 and 3.

DEPARTMENT OF LABOUR—CANADA

MUNICIPAL WINTER WORKS INCENTIVE PROGRAM 1961-62

Cumulative Report Week Ending February 2, 1962

	Canada	B.C.	Alta.	Sask.	Man.	Ont.	Que.	N.B.	N.S.	P.E.I.	Nfld.	Yukon	N.W.T.	Indian Bands
Applications Received	6,165	577	687	946	182	1,225	1,844	193	59	34	350	4	14	50
Applications Accepted	6,092	574	686	935	180	1,215	1,799	193	59	34	350	4	13	50
Applications Rejected, Pending or Withdrawn	73	3	1	11	2	10	45	0	0	0	0	0	1	0
Estimated Total Cost of Projects	258,217	27,683	26,783	15,106	6,787	75,262	96,995	3,343	1,487	804	3,620	12	36	299
Estimated Total Direct Payroll Cost of Projects	81,561	9,953	7,661	4,388	2,192	22,167	31,447	1,334	610	353	1,242	5	31	178
Estimated Cost of Projects During Period of Program	201,758	22,756	21,443	12,174	5,849	53,993	78,930	2,904	845	579	1,960	12	36	277
Estimated Direct Payroll Cost of Projects During Period of Program	66,731	8,597	6,820	3,675	1,821	16,000	27,127	1,126	338	263	815	5	31	173
Estimated Federal Government Share of Direct Payroll Costs	33,100	4,288	3,374	1,823	910	7,953	13,410	563	169	101	407	2	15	86
Estimated Number of Men to be Hired During Period of Program	111,687	6,547	10,554	13,153	2,744	17,965	47,365	3,336	808	538	7,663	15	137	862
Estimated Man Days Work to be Provided During Period of Program	4,758,368	440,511	463,732	309,966	136,907	1,020,514	2,119,688	108,402	30,949	24,650	81,898	220	2,160	18,771
Number of Municipalities Participating in Program*	2,324	117	197	412	48	302	807	73	23	20	273	3	10	39

* Also includes Indian Bands, Unorganized Settlements and various Boards and Commissions.

N.B.—Cost figures shown in thousands of dollars.

Percentage of total payroll cost to total cost of projects undertaken during period of program, 33.1%.

4. The estimated number of man days work to be provided is set out in the attached statement. The number of man hours work to be provided would be approximately 8 times that figure, or 38,066,944.

5. This information is not available since there is a delay of several weeks in the submission of claims for work performed.

6. See statement attached.

7. Yes. The correspondence will be tabled when the consent of the province has been obtained, if the hon. member will give a notice of motion for papers.

8. The detailed administration of the program rests with the provincial authorities.

*PACIFIC COAST TIDE AND CURRENT TABLES

Question No. 89—**Mr. Broome:**

1. With reference to Pacific coast tide and current tables catalogue No. M53-62/10, and tide tables for the strait of Georgia to Queen Charlotte strait, catalogue No. M52-62/15, issued by the Canadian hydrographic service, Department of Mines and Technical Surveys, when was the information contained in these booklets sent to the Queen's printer for publication of the 1962 edition?

2. Since both these publications are important to coastal shipping, can arrangements be made this year to have this information available in time to allow distribution of the booklets to take place in early November 1962 covering 1963 tables?

Mr. Flynn: The answers are as follows:

1. M53-62/10 was sent to the Queen's printer on February 10, 1961. M53-62/15 was sent to the Queen's printer on November 24, 1961.

2. We confidently expect the tables will be distributed by November, 1962.

POSTAL SERVICE TENDERS, BEAUCE ELECTORAL DISTRICT

Question No. 99—**Mr. Racine:**

1. From September 30, 1961, to March 31, 1962, has the Post Office Department invited tenders in the electoral district of Beauce for the (a) rural mail service (b) side service (c) stage service (d) city service (e) highway service covering part of the electoral district of Beauce?

2. If so, which particular service, and which area was involved?

Answer by: **Mr. Hamilton (Notre Dame de Grace):**

1. (a) Yes. (b), (c), (d) and (e) No.

2. Rural mail service; St. Prosper de Dorchester, R.R. No 1; St. Honoré, R.R. No. 1; St. Honoré, R.R. No. 2; St. Ephrem de Beauce, R.R. No. 3.

POSTAL CONTRACTS RENEWED, BEAUCE ELECTORAL DISTRICT

Question No. 100—**Mr. Racine:**

From September 30, 1961, to March 31, 1962, how many contracts have been renewed by the Post Office Department in the electoral district of Beauce for (a) rural mail service (b) side service (c) stage service (d) city service (e) highway service covering part of the electoral district of Beauce?

Answer by: **Mr. Hamilton (Notre Dame de Grace):**

(a) 10.
(b) 1.
(c) 2.
(d) nil.
(e) nil.

*STATISTICAL STUDY, AUTOMOTIVE AFTERMARKET

Question No. 104—**Mr. Nixon:**

1. Has the government received a request from the Canadian automotive wholesalers and manufacturers association that the government undertake an immediate statistical study of the automotive aftermarket?

2. If so, what decision, if any, has been reached on this request?

3. Is the government presently considering the effects on the automotive aftermarket of the duty free entry and the extended content concept put forward by the Bladen commission?

Mr. Fleming (Eglinton):

1. Yes.

2. All available statistical material, including that submitted by interested parties, is now being studied.

3. The government is considering the possible effects of the various recommendations of the Bladen commission in the light of the representations which were invited from all the Canadian groups concerned at the time the report was tabled.

REMEMBRANCE DAY—PUBLIC SERVICE HOLIDAY

Question No. 110—**Mr. Argue:**

1. Did the cabinet send a directive to the civil service commission on or before October 18, 1961, stating that employees, including prevailing rate employees, whose normal day of rest fell on Remembrance day, November 11, 1961, would be permitted to observe the holiday on the next following working day or on a day selected by the deputy head of their department?

2. If so, (a) did the cabinet later reconsider this matter (b) what subsequent instructions were sent to the civil service commission, and on what date?

Answer by: **Mr. Diefenbaker:**

1. The civil service commission was told early in September, 1961, that employees whose normal day of rest fell on Remembrance day, November 11, 1961, which was a Saturday, should be permitted to observe the holiday on the next following working day, or another day selected by the deputy head of their department in the light of the exigencies of their service. This communication made no exception for prevailing rate employees not covered by the Civil Service Act in respect of holidays. Some of these employees including those at the printing bureau, were not entitled to a holiday on

November 11 because they had chosen other holidays instead as provided in the applicable regulations under the Financial Administration Act.

2. No subsequent message was sent to the commission but on November 9 the printing bureau was informed, in accordance with a decision of the government, that its prevailing rate employees could not be given an additional holiday because of the misinterpretation made by the bureau of the directive relating to the observance of the holiday on November 11. The bureau was further told that if it considered that a holiday must be granted on November 13, as this had already been announced, this additional holiday must be taken in lieu of another of the holidays which its prevailing rate employees were permitted to choose during the ensuing twelve months.

*RECRUITING PAMPHLET, SURVIVAL TRAINING PROGRAM

Question No. 114—**Mr. Pitman:**

1. On what date was the recruiting pamphlet on the special militia training program in survival tactics published?
2. How many such pamphlets were published in the English language, and at what total cost?
3. On what date were instructions issued to destroy all stocks of this pamphlet?
4. What was the name of the advertising agency commissioned to prepare this pamphlet, and what was the charge for this service to the Department of National Defence?
5. Has any new revised pamphlet been prepared?
6. If so, what advertising agency has been employed for such service, and at what cost?
7. How many of these revised pamphlets have been, or will be, produced, and at what total cost?

Mr. Chambers: The answers are as follows:

1. November 2, 1961.

2. 234,000 copies of this pamphlet were printed at a total cost of $5,804.

3. December 18, 1961.

4. O'Brien Advertising Limited, 1030 West Georgia street, Vancouver, British Columbia. Agency charges to the department amounted to $594.

5. Yes.

6. O'Brien Advertising Limited. There were no charges to the department.

7. 166,350 revised pamphlets were printed on December 22, at a cost of $2,730. These pamphlets should be sufficient to meet the needs of the remaining courses.

*ASSISTANCE TO UNIVERSITIES AND URBAN RENEWAL

Question No. 115—**Mr. Pitman:**

1. How many universities have taken advantage of the extension of N.H.A. assistance to universities under last session's Bill C-42 to amend the National Housing Act?

[Mr. Diefenbaker.]

2. What are the names of these universities, and what was the amount of N.H.A. loan in each case?
3. How much has the federal government paid out in the cause of urban renewal during 1961 under Bill C-42?
4. How many municipalities have taken advantage of this legislation in 1961, what are the names of these municipalities, and what was the amount granted to each?

Mr. Walker: Because of the length of the answer, may I respectfully ask that it be accepted as read and printed in *Hansard*?

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

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

1. 22 universities and colleges.

2.

Institution	Amount
Acadia University, Wolfville, N.S.	$ 503,370
Assumption University, Windsor, Ont.	1,378,564
Brandon College, Brandon, Man.	905,972
University of British Columbia, Vancouver, B.C.	1,331,946
Carleton University, Ottawa, Ont.	1,512,000
Emmanuel College, Saskatoon, Sask.	394,176
University of King's College, Halifax, N.S.	689,670
Laval University, Quebec, P.Q.	3,255,000
College de Matane, Matane, P.Q.	630,900
Mount St. Bernard College, Antigonish, N.S.	560,862
University of New Brunswick, Fredericton, N.B.	1,800,000
Seminaire de Nicolet, Nicolet, P.Q.	483,300
Notre Dame College, Wilcox, Sask.	213,975
Academie de Quebec, Quebec, P.Q.	810,000
Renison College, Waterloo, Ont.	248,111
St. Francis Xavier University, Antigonish, N.S.	1,315,863
University of St. Jerome's College, Waterloo, Ont.	300,000
Seminaire St. Pie X, Hauterive, P.Q.	221,706
University of Sherbrooke, Sherbrooke, P.Q.	1,750,000
United College, Winnipeg, Man.	692,658
College de Victoriaville, Victoriaville, P.Q.	810,565
Waterloo Lutheran University, Waterloo, Ont.	275,790
	$20,084,428

Note: In addition to the above approved loans, applications are under consideration from 16 other institutions for a further $21,480,000.

3. Bill C-42 authorized an increase from $25 million to $50 million in the aggregate

amount of federal assistance to municipalities for projects of urban redevelopment under section 23 of the National Housing Act. Payments totalling $2,777,000 were made to municipalities under this section of the act during 1961. At the year end the federal government had approved contributions to municipalities of approximately $24 million for projects of urban redevelopment.

4. In 1961 the federal government approved a contribution of $3.7 million to assist the city of Winnipeg in a redevelopment project. In addition a grant of $375,000 was approved to assist the city of Halifax in an extension of the Jacob street redevelopment area.

At the end of the year applications at various stages of development were under consideration for urban redevelopment projects in the following municipalities: Trail, B.C.; Hamilton, Kingston and Toronto, Ontario; Montreal and Sherbrooke, Quebec.

In 1961 federal contributions totalling $82,000 under part V of the National Housing Act were approved to assist the following municipalities with urban redevelopment and housing studies: Calgary, Alberta; metropolitan Winnipeg, Manitoba; Niagara Falls, Ontario; Hull, Quebec.

*STEERING COMMITTEE, ECONOMIC PROBLEMS

Question No. 121—**Mr. Dumas:**

Was a steering committee set up at a meeting held with the Minister of Trade and Commerce and the Minister of Labour on March 15, 1961, with representatives of industry and labour for the purpose of recommending a permanent structure for business, labour, and government co-operation in solving economic problems; and, if so, who were the members of this steering committee, how many meetings, if any, has it held, and on what dates?

Mr. Morris: Representatives of industry and labour met with the ministers of trade and commerce and labour on March 15, 1961, to discuss the need for co-operation between labour and management and with particular reference to the then forthcoming first meeting of the national productivity council to be held on March 21, 1961. At the meeting of industry and labour representatives, a steering committee was established whose membership was as follows:

Joint Chairmen: Mr. T. R. McLagan, president of the Canadian Manufacturers' Association.

Mr. Claude Jodoin, president, the Canadian Labour Congress.

Mr. G. E. Grundy, president, Canadian Automobile Chamber of Commerce.

Dr. E. B. Gillanders, president, Canadian Metal Mining Association.

Mr. Arthur G. Sullivan, president, Canadian Construction Association.

Mr. Russell Bell, assistant research director, Canadian Labour Congress.

Mr. Jean-Paul Geoffroy, director, technical services, Confederation of National Trade Unions.

Mr. A. R. Gibbons, vice president, Brotherhood of Locomotive Firemen and Enginemen.

Mr. James A. Roberts, deputy minister, Department of Trade and Commerce.

Mr. George V. Haythorne, deputy minister, Department of Labour.

The steering committee held one meeting on March 15, 1961. In a subsequent meeting between the two co-chairmen of the original meeting and senior officials of the departments of trade and commerce and labour it was agreed that no further basis existed for a continuation of the steering committee in view of the formal establishment of the national productivity council.

QUESTIONS PASSED AS ORDERS FOR RETURNS

SPEECH OF U.K. LORD PRIVY SEAL, EUROPEAN COMMON MARKET

Question No. 71—**Mr. McIlraith:**

1. Has the government been in touch with the United Kingdom government with respect to making available to the Canadian House of Commons a copy of the full summary of the speech made by Edward Heath, Britain's Lord Privy Seal, in Paris on October 10, 1961?

2. If so, what reply has been received from the British government?

Mr. Fleming (Eglinton): I now table the outline of Mr. Heath's Paris speech of October 10 and the summary of that portion of it relating to the commonwealth which was provided at the time to the Canadian government, supplemented by an oral briefing by the Lord Privy Seal. I also table the full text of Mr. Heath's speech as requested by the hon. member for Ottawa West on January 19.

Mr. Speaker: I understand that the minister is tabling documents asked for previously. Has he leave of the house to table these documents?

Some hon. Members: Agreed.

Mr. Speaker: Do I take it that the tabling of these documents also answers the question?

Mr. Fleming (Eglinton): Yes, Mr. Speaker. The answer to the question is obvious now that the documents have been tabled.

Mr. Speaker: Perhaps it might be an order for return tabled herewith to avoid printing all these documents in *Hansard*.

Orders for Returns

* PROTESTS TO C.B.C. FROM "LA SOCIETE DES AMIS DE MAURICE L. DUPLESSIS"

Question No. 82—**Mr. Fisher:**

1. Has the Canadian Broadcasting Corporation received a protest from "La Société des Amis de Maurice L. Duplessis"?
2. If so, when, and about what?
3. To whom was the protest sent?
4. Has the government itself, distinct from the C.B.C., received any such protest?
5. Has either the government or the C.B.C. received any representations about the matter in protest from any federal ministers of the crown, acting as members or agents of "La Société des Amis de Maurice L. Duplessis"?

*REVENUE POST OFFICES, HUDSON'S BAY COMPANY

Question No. 94—**Mr. Howard:**

1. Are any revenue post offices in Canada contained in the premises of the Hudson's Bay Company and, if so, what are the names of any such post offices?
2. In each of the said post offices, what is (a) the name and address of the postmaster, and the date of his original and any subsequent appointments (b) the amount of his monthly payment, and the place to which this monthly payment is addressed?

Mr. Hamilton (Notre Dame de Grace): Mr. Speaker, since this answer is primarily a lengthy list of place names, some of which are in Eskimo or Indian which I do not speak or pronounce very well, I should like to make this question an order for return.

Mr. Speaker: Order for return, tabled herewith.

CIVIL DEFENCE EXPENDITURES

Question No. 106—**Mr. Martin (Essex East):**

1. What were the total amounts spent in all departments of government during the 1960-61 fiscal year and the 1961-62 fiscal year to date on civil defence, survival, emergency measures and related programs?
2. What is the total amount of the estimated expenditures in all departments of government for the 1962-63 fiscal year for civil defence, survival, emergency measures and related programs?

COLD LAKE AIRPORT, ALTA.—CITY CONSTRUCTION CO.

Question No. 108—**Mr. Argue:**

1. Was or is City Construction Company, Limited, of Vancouver, under contract with the Department of Transport for the development of Cold Lake airport, Alberta?
2. If so, (a) when did contract tenders close (b) when was the contract awarded to City Construction Company, Limited (c) was any investigation made of this company's financial position before the contract was awarded (d) were progress payments made to the company and were they made on the strength of statutory declarations and, if so, (i) what were the amounts of the progress payments and on what dates were they made (ii) is the government still in possession of the statutory declarations?
3. Were progress payments to the company eventually stopped and, if so, why, and on what date?
4. Did the Department of Transport, or any of its officials in Edmonton, receive complaints concerning non-payment or slow payment by the company to subcontractors and, if so, (a) on what date was the first complaint or intimation that something was wrong received (b) what action was then taken, and on what date or dates?
5. Did the company make a proposal, or several proposals, under the Bankruptcy Act and, if so, (a) to what effect and on what date or dates (b) when was the trustee appointed under the Bankruptcy Act, what is his name, and what position, if any, does he hold with the Mercantile Bank (c) has the trustee submitted to the creditors a statement of the source and application of all funds received for the Cold Lake project and, if so, what was the source and application of these funds?
6. Was the company indebted to the Mercantile Bank on December 31, 1958, and on December 31, 1959, and, if so, what was the amount on both dates?

TECHNICAL AND VOCATIONAL TRAINING COURSES FOR UNEMPLOYED

Question No. 112—**Mr. Pitman:**

1. How many communities were carrying on courses for unemployed persons under schedule M to the agreements under the Technical and Vocational Training Assistance Act as of December 1, 1961?
2. What were the names of these communities, and how many persons were being trained in each case?
3. What courses of instruction were being offered in each of these communities, and how many persons were being trained in each of these courses?
4. What was the total cost of the program in the year 1961?

VOCATIONAL TRAINING ENROLMENT, ONTARIO

Question No. 113—**Mr. Pitman:**

1. What was the total enrolment in vocational training at the secondary school level in Ontario as of December 31, 1960?
2. What was the total capacity of institutions offering vocational training at the secondary school level in Ontario as of December 31, 1960?
3. What was the total number of new vocational or vocational wings to existing institutions, at the secondary school level, approved by the federal government for 75 per cent grant as of December 31, 1961?
4. What will be the maximum enrolment possible for these vocational schools already approved?
5. How many students graduated in woodworking in the vocational secondary schools in Ontario in the year 1961?
6. How many woodworking shops in Ontario vocational secondary schools, or new wings of such institutions, have been approved by the federal government in 1961?

*HIGHWAY CONSTRUCTION, PRINCE RUPERT-JASPER

Question No. 119—**Mr. Howard:**

1. Since July 1, 1961, has the Premier of British Columbia or any member of the British Columbia government approached the federal government asking that an agreement be entered into between the two said governments for the building of a highway between Prince Rupert, B.C., and Jasper, Alberta, under a plan of financial participation similar to that existing pursuant to the

Trans-Canada Highway Act; and, if so, upon what date was the said approach made, and by whom?

2. Were any proposals made by the said British Columbia representatives for a plan of financial participation and, if so, what are the details thereof?

3. What reply, if any, was given by the federal government?

Mr. Walker: May I ask that this be made an order for return? The consent of the government of British Columbia should be obtained before making the information public.

Mr. Speaker: Order for return.

BOOKS BANNED ENTRY INTO CANADA

Question No. 124—**Mr. Herridge:**

1. What are the titles of each book banned or prohibited entry into Canada by the Department of National Revenue in each year since 1952 when the last such return was made?

2. Which of said books was prohibited because of (a) its treasonable or seditious nature (b) its immoral or indecent character?

3. What officials made the examination of each of the said books, and who made the final decision to ban or prohibit in each case?

4. Are such officials given special training to qualify them to decide what is proper, from a literary, moral or political standpoint, for Canadians to read; and, if so, what is the nature of such training?

5. What titles are presently on the prohibited or banned list?

MOTIONS FOR PAPERS

CONTRACTS FOR SALE OF GRAIN TO CHINA

Motion No. 5—**Mr. Pickersgill (for Mr. McIlraith):**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all contracts entered into between the Canadian wheat board and the China Resources Company for the sale of grain under the long term agreement between the Canadian wheat board and the China Resources Company.

Mr. Jorgenson: In the absence of the minister may I ask that this motion stand?

Mr. Pickersgill: That would be quite agreeable, sir.

Motion stands.

AIR BASE, BATHURST AREA, N.B.

Motion No. 7—**Mr. Robichaud:**

That an order of the house do issue for a copy of the report dealing with a survey carried out by officials of the Department of Transport regarding the possibility of establishing an air base or landing strip in the Bathurst area, Gloucester county, New Brunswick.

Mr. Balcer: This notice of motion calls for the production of a survey report by officials of the department in connection with the possibility of establishing an airport in the Bathurst area of Gloucester county, New Brunswick.

In this instance we have made available certain basic material, obtained as a result of the survey, to the Gloucester municipal airport committee to assist the committee in its efforts to develop an airport. However, as the hon. member knows, departmental documents have always been considered as privileged, and while in order to be of as much help as possible the department supplied information from the report to the municipality, it would not be in accordance with established practice to table the report. In the circumstances I would hope the member would be agreeable to withdrawing his motion.

Mr. Robichaud: I agree.

Order discharged and motion withdrawn.

AIR BASE, DALHOUSIE-CHARLO AREA, N.B.

Motion No. 8—**Mr. Robichaud:**

That an order of the house do issue for a copy of the report dealing with a survey carried out by officials of the Department of Transport regarding the possibility of establishing an air base or landing strip in the Dalhousie-Charlo area, Restigouche county, New Brunswick.

Mr. Balcer: The same principle applies to this motion, and I wonder if my hon. friend would agree to withdrawing it.

Mr. Robichaud: For the reasons given by the minister I would agree.

Order discharged and motion withdrawn.

NATIONAL POWER GRID SYSTEM

Motion No. 9—**Mr. Argue:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams, and other documents exchanged between the government and each of the provinces since January 1, 1961, regarding the establishment of a national power grid system.

Mr. Diefenbaker: Subject to the consent of the provincial premiers.

Mr. Speaker: Subject to the reservation expressed by the Prime Minister, is it the pleasure of the house to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

PROPOSALS FOR EXTENDING TERRITORIAL WATERS

Motion No. 10—**Mr. Howard:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams, and other documents exchanged between the government or any agency, department, or branch thereof, and any other government since April 1, 1960, relating to the breadth of the territorial sea and proposals for the widening thereof.

Mr. Green: There is very good reason why we cannot comply with this request. It is important that nothing be said or done which might prejudice the significance of the 1960

vote at Geneva on the joint Canada-United States "six plus six" formula. Reference to any action undertaken or still in progress could do just that. Consideration of this matter has been and is being actively pursued by Canada and other like minded countries.

Mr. Speaker: Does the hon. member wish to proceed, having regard to what the minister has said?

Mr. Howard: I think this could well be transferred for debate under the newly established rules.

Mr. Speaker: Transferred, pursuant to standing order 47.

SECOND TRANS-CANADA HIGHWAY SYSTEM

Motion No. 11—**Mr. Argue:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams, and other documents exchanged between the federal government and any provincial government since January 1, 1961, regarding federal aid for the construction of a second trans-Canada highway system.

Mr. Walker: Again subject to the usual reservation respecting confidential and privileged documents, and also subject to the consent of the provincial governments concerned.

Mr. Speaker: Subject to the limitations expressed by the minister, is it the pleasure of the house to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

LIGHTHOUSE REPLACEMENT, YARMOUTH, N.S.

Motion No. 12—**Mr. Pickersgill:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence exchanged between any member of the government of Canada on the one hand, and the mayor of Yarmouth, Nova Scotia, on the other, since January 1, 1961, regarding the replacement of the lighthouse at Yarmouth, Nova Scotia.

Mr. Dorion: Mr. Speaker, this motion is acceptable.

Motion agreed to.

TRADE

EUROPEAN COMMON MARKET—PRIME MINISTERS' CONFERENCE

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask a question of the Prime Minister based on a press report that the Prime Minister of the United Kingdom has stated that he would consider calling a prime ministers' conference on the common market if there were a general demand for such a conference.

My question is, have there been any recent exchanges between the right hon. gentleman and the Prime Minister of the United Kingdom on this matter, and if so can he report anything to the house concerning those exchanges?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, as the Leader of the Opposition knows, Canada has suggested on a number of occasions that before a final decision is made regarding the United Kingdom's application to join the common market, there should be a conference of the prime ministers of the commonwealth, as the issues involve matters of interest and concern to various members of this family.

I do not think there is anything further I can say at this time. There has been no communication recently in this connection, it being understood that as the negotiations are continued between the Six and the United Kingdom we will be kept advised as to the course being followed. When it is appropriate for us to make a formal request, that will be done. However, even without a formal request our attitude is known.

POWER

COLUMBIA RIVER—REPORTED STATEMENT BY U.S. CHAIRMAN OF INTERNATIONAL JOINT COMMISSION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Secretary of State for External Affairs. Does the statement reported in today's *Gazette* to the effect that "the United States cannot wait more than three or four months for Canada to ratify a proposed Columbia river treaty", made by Mr. Teno Roncalio, chairman of the United States section of the international joint commission, have any bearing on the government's policy with respect to the sale of power in the United States derived from downstream benefits from any Columbia river development, or on the discussions that the Minister of Finance expects to have with Premier Bennett of British Columbia?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, there are different versions of what the chairman of the United States section of the international joint commission said in his speech at some luncheon meeting. However, I would point out to the hon. member that Mr. Roncalio is not the spokesman for the United States government on this question at all. The international joint commission was involved at an earlier

date when they agreed on principles which were to underlie a treaty, but these men are not the responsible authorities at this stage.

Mr. Herridge: The minister apparently overlooked answering the latter part of my question, which was "or on the discussions that the Minister of Finance expects to have with Premier Bennett of British Columbia".

Mr. Green: I merely wish to point out that I am not concerned with what this particular gentleman says.

UNITED NATIONS

IRAQ—CANADIAN ASSISTANCE IN ESTABLISHING WHEAT PROGRAM

On the orders of the day:

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, we all regret that the Minister of Agriculture is still confined to his home as a result of his strenuous efforts on behalf of agriculture.

Some hon. Members: Oh, oh.

Mr. Pascoe: In his absence I should like to address a question to his parliamentary secretary. Mr. Clive Davidson of the Canadian wheat board has been granted leave of absence to go to Iraq and assist that country in establishing a wheat marketing and storage program. Can the parliamentary secretary inform the house whether this indicates a possible increased market for Canadian wheat?

Mr. W. H. Jorgenson (Parliamentary Secretary to the Minister of Agriculture): Mr. Speaker, in reply to the hon. member I would say that Mr. Davidson is participating in a study of the food and agricultural organization of the United Nations and is part of the contribution of technical personnel made by this country to this and similar United Nations projects. This study is, I understand, to assist Iraq in establishing a wheat program, and is not tied in with promotional activities of the Canadian wheat board.

CIVIL DEFENCE

WIDDIFIELD TOWNSHIP—CONSTRUCTION OF FALL-OUT SHELTERS

On the orders of the day:

Mr. J. R. Garland (Nipissing): Mr. Speaker, I wish to direct a question to the Minister of National Defence. I was able to send him notice earlier.

Has the minister now received the representations made to his department by the township of Widdifield, stating the municipality's concern that the construction of the Bomarc base and SAGE by the Department of National Defence will make the Widdifield area one of the main targets in the event of war, and requesting the Department of National Defence to construct, or pay for construction of, public fall-out shelters in the area? Would the minister comment?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, representations were received from the clerk treasurer of the township of Widdifield. In commenting on these representations I might point out that there are several communities across the country which are located in the vicinity of national defence establishments. Under the distribution of duties with regard to civil defence generally, the Department of National Defence is not responsible for planning or construction related to fall-out shelters. Responsibility for planning in this regard was given to the emergency measures organization. The house will recall that on September 23, 1961 as reported at pages 8804-05 of *Hansard* for that day, the Prime Minister gave a list of those locations which could be considered as the most likely target areas. The township of Widdifield was not included in that list.

Information has already been given to the house with regard to the survey which was conducted by the Department of Public Works of federal buildings across the country to determine the fall-out protection that could be provided by such buildings. Federal buildings in the North Bay area were included in this survey.

Hon. Paul Hellyer (Trinity): Mr. Speaker, a supplementary question. Would the minister say that the reason the township of Widdifield was not included in the list of target areas was that the Bomarcs were not armed with warheads?

Mr. Harkness: Mr. Speaker, the hon. member for Trinity is pursuing his old practice of asking inappropriate questions.

HEALTH AND WELFARE

REPORTED UNNECESSARY USE OF VITAMIN AND MINERAL SUPPLEMENTS

On the orders of the day:

Mr. Hazen Argue (Assiniboia): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. In view of the statement by Dr. J. E. Monagle, chief of the nutrition division of the Department of National Health and Welfare, as reported by the Canadian Press, to the effect that millions of dollars are being wasted annually by those who respond to the "sucker bait" of the vitamin manufacturers, and in view of the serious implications of this charge, would the minister state what evidence there is to

support it and whether Dr. Monagle was speaking for himself or as a result of research carried out within the department?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, I wish to express appreciation to the hon. member for giving me notice of his intention to ask this question. Dr. Monagle's statement stressed—in rather forceful terms, I must admit—a point to which my department subscribes; namely, that there is an unduly widespread use of vitamin and mineral supplements as far as the average individual is concerned. We have always underlined the desirability of following Canada's food rules as prepared by the Canadian nutrition council, which themselves provide a balanced diet for normal needs. Where special supplements are necessary, in my department's view the advice of a doctor is the best means of ensuring that the individual gains some real benefit.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, as a supplementary question, may I ask the minister whether this advice is part of the government's program for encouraging small business?

Mr. Fleming (Eglinton): Small talk from Bonavista-Twillingate.

FINANCE

INQUIRY AS TO TABLING OF ESTIMATES

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Minister of Finance. Can the minister say when he will be tabling the estimates for 1962-63?

Hon. Donald M. Fleming (Minister of Finance): Soon, Mr. Speaker.

SALES TAX—PROTEST RESPECTING ARBITRARY CHANGES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Minister of Finance, notice of which was inadvertently sent to the Minister of National Revenue. In view of the special report submitted to the finance minister in 1956 by the Ontario bar association protesting arbitrary changes in the 11 per cent federal sales tax—

Mr. Speaker: Order. Perhaps the hon. member for Kootenay West would permit me to interrupt him. He was kind enough to send me notice of his intention to ask this question, too. I have looked at the question with some care and have come to the conclusion that it is an endeavour to ask for budget secrets on the orders of the day.

[Mr. Argue.]

Some hon. Members: Shame.

Mr. Speaker: In any event, I think there may be more appropriate occasions for the hon. member to put his question.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to put a question to the Minister of Finance, if I may. I should like to ask the Minister of Finance whether he has any budget secrets.

Hon. Donald M. Fleming (Minister of Finance): There is one, Mr. Speaker, that I shall be very glad to share with the hon. member and others. Yesterday the Ottawa *Citizen*, on its first page, contained the following statement:

> Finance department officials, usually meeting daily on the budget at this time of year, are not doing it this year.

This statement is simply untrue, Mr. Speaker. It is made out of whole cloth. Yesterday I said that everybody around here seemed to be behaving normally or conducting himself normally except the official opposition.

Mr. Pickersgill: And the press.

Mr. Fleming (Eglinton): I can say that the Department of Finance and the Minister of Finance are going about their business in a way that is perfectly normal at this time of the year with respect to all their duties, including the budget and everything else.

Mr. Hazen Argue (Assiniboia): I have a supplementary question. From the minister's statement, may I take it that this is a commitment that there will be a budget?

Mr. Fleming (Eglinton): I am quite certain there will be a budget this year.

Mr. Argue: This session?

Some hon. Members: Oh, oh.

[*Later:*]

Mr. Herridge: I should like to ask the Minister of Finance another question. Having knowledge of the question I intended to ask, could he say that he will give consideration to it, without any breach of public confidence?

Mr. Fleming (Eglinton): This is not a new matter by any means, Mr. Speaker. I may say that it has been raised frequently, although we cannot find in the departmental files any trace of the report to which the hon. member referred and which was supposed to have been sent to my predecessor in 1956. However, this is a subject that has been frequently raised and it has received study and attention. I am quite sure that it will continue to receive study and attention.

Mr. Howard: Instead of action.

NATIONAL DEFENCE

R.C.A.F. BOMARC BASE—INQUIRY AS TO WARHEADS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Minister of National Defence and ask him whether he has reached any decision relative to conventional or nuclear warheads being supplied to the Bomarc base now under the jurisdiction of the Royal Canadian Air Force. If not, what is the purpose of the installation?

Mr. Speaker: Order. I believe the hon. member is repeating a question which was asked earlier in the session and which I then suggested, as it involved a basic matter of policy, was not the type of question which hon. members could expect to have answered on the orders of the day.

Mr. Winch: Mr. Speaker, the previous question was asked before the jurisdiction of the base was transferred to the R.C.A.F. command.

Mr. Speaker: There seems to me to be the same question of policy involved. If the minister wishes to deal with it on the orders of the day it is up to him, but in my view it is a policy question which is not properly asked at this time.

HONEST JOHN MISSILE—INQUIRY AS TO WARHEAD

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Minister of National Defence and ask whether Canadian troops overseas are now equipped with the Honest John weapon, and if so, what type of warhead has been or is to be supplied. Is it conventional, nuclear or sand?

Hon. D. S. Harkness (Minister of National Defence): Mr. Speaker, as I think the hon. member is well aware, the S.S.M. or Honest John battery which was in training here in Canada last fall has now been dispatched to the brigade overseas and is there training with that brigade.

In response to the latter part of the question, no warhead of any kind, let alone one with sand, has been supplied to this brigade. The battery there has Honest John missiles. Some of these missiles have training heads which contain a small explosive charge which makes it possible to determine where the thing has burst on a practice firing.

Mr. Hellyer: You could use them for flares if you needed help.

Mr. Winch: In view of the minister's reply are we to understand that the taxpayers' money has been expended to purchase equipment that will not be armed with warheads?

Mr. Speaker: Order. I think the hon. member is now expressing a viewpoint rather than asking for information.

BOBCAT VEHICLE—INQUIRY AS TO COMPLETION OF ORDER

On the orders of the day:

Mr. Hubert Badanai (Fort William): I wish to direct a question to the Minister of National Defence. Can the minister inform the house whether the larger order for the vehicle known as the Bobcat is still under active consideration by the government?

Hon. D. S. Harkness (Minister of National Defence): The situation with regard to the Bobcat was outlined in detail when the estimates of the department were before the house a few months ago. The situation as outlined at that time prevails. A production test order is being produced at the present time. When it has been completed successfully we shall proceed with the order for some 480 vehicles in order to complete this particular project.

LABOUR CONDITIONS

ST. BONIFACE, MAN.—REPORTED ORDERING OF UNEMPLOYED TO SURVIVAL COURSE

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Minister of Labour whether he or his department is aware that the municipal authorities of St. Boniface, Manitoba, are reported to be ordering unemployed workers to enrol at a national survival training course in an effort to combat unemployment, and whether the government is co-operating in this activity.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I am unaware of this report as to what is happening in the national employment office in St. Boniface. However, I shall certainly check into it, because it is not the intention of the national employment service, as a means of combating unemployment, to direct anyone into the course being held by the Department of National Defence.

Mr. Pickersgill: Mr. Speaker, perhaps I could put a supplementary question to the minister, more for his information than as a question. I did not say it was the national employment office, and I do not think it is. I believe the municipal officials are engaging in this activity. That is why I asked the minister whether

the government was aware of it. I am very grateful to the minister for agreeing to look into the matter.

Mr. Starr: We are not aware of it, Mr. Speaker, but what I said with respect to our policy certainly does not agree with what the hon. member suggests is taking place.

HOUSING

NORTH BAY—INVITATIONS TO TENDER ON MILITARY PROJECTS

On the orders of the day:

Mr. J. R. Garland (Nipissing): Mr. Speaker, I should like to direct a question to the Minister of Public Works. Will the minister explain why invitations to tender on two urban military housing projects proposed for the North Bay area were not extended to the public generally in the customary way, but rather to a select group only?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, would my hon. friend be good enough to put that question on the order paper?

[*Later:*]

Mr. Garland: Mr. Speaker, I rise on a point of order. The question I have just put to the minister is, I suggest, a matter of some urgency because contracts for the projects are currently being negotiated.

Mr. Fulton: The hon. member has not even identified the projects.

Mr. Garland: I should like to pursue this matter and ask the minister to comment on it, if he would.

Mr. Speaker: I take it that the hon. gentleman did not give the minister notice of his question. The minister has already indicated he is not prepared to answer today. I cannot go beyond that.

Mr. Garland: In that event, Mr. Speaker, would the minister accept my question as notice today?

Mr. Walker: No, Mr. Speaker. If the hon. gentleman, like other hon. members, would be good enough occasionally—perhaps once out of a hundred times—to give notice of his intention to ask questions, the business of the house would be expedited considerably.

Mr. Garland: That is what I am attempting to do now. I am giving the minister notice.

OLD AGE SECURITY ACT

AMENDMENT TO INCREASE AMOUNT OF PENSION

Hon. J. W. Monteith (Minister of National Health and Welfare) moved the third reading of Bill No. C-54, to amend the Old Age Security Act.

[Mr. Pickersgill.]

Motion agreed to and bill read the third time and passed.

OLD AGE ASSISTANCE ACT

AMENDMENTS TO INCREASE ASSISTANCE AND ALLOWABLE INCOME

The house resumed, from Monday, February 5, consideration in committee of the following resolution—Mr. Monteith (Perth)—Mr. Martineau in the chair:

That it is expedient to introduce a measure to amend the Old Age Assistance Act to increase to sixty five dollars per month the maximum amount of assistance in respect of which payments may be made to the provinces under the provisions of that act, and to increase the total amount of allowable income, inclusive of assistance, by one hundred and eighty dollars a year in the case of an unmarried person and three hundred and sixty dollars a year in the case of a married person.

Resolution reported and concurred in.

Mr. Monteith (Perth) thereupon moved for leave to introduce Bill No. C-55, to amend the Old Age Assistance Act.

Motion agreed to and bill read the first time.

BLIND PERSONS ACT

AMENDMENTS TO INCREASE PAYMENTS AND ALLOWABLE INCOME

Hon. J. W. Monteith (Minister of National Health and Welfare) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Blind Persons Act to increase to sixty five dollars per month the maximum amount of allowance in respect of which payments may be made to the provinces under the provisions of that act, and to increase the total amount of allowable income, inclusive of allowance, by one hundred and eighty dollars a year in the case of an unmarried person and three hundred and sixty dollars a year in the case of a married person.

Motion agreed to and the house went into committee, Mr. Martineau in the chair.

Mr. Monteith (Perth): The considerations which have led to changes in old age security and old age assistance benefits, Mr. Chairman, have also prompted comparable amendments to the Blind Persons Act.

Briefly, two alterations are being proposed. First, the maximum benefit is to be raised by $10 to $65 a month. Second, the income ceilings are to be increased by $180 a year in the case of an unmarried person and by $360 a year in the case of a married person. Again, as with old age assistance, the income ceilings now proposed for recipients of blindness allowances have been increased by amounts in excess of the increase in the maximum benefit. This means, of course, that

a recipient can have higher earnings than at present without reduction in pension.

Like old age assistance, blindness allowances represent a joint federal-provincial undertaking. However, in the case of the Blind Persons Act the federal share of costs amounts to 75 per cent as against 50 per cent under old age assistance. In view of this joint nature of the program, implementation of the present proposals will require agreement of the provinces, and we are hopeful that this will be forthcoming so the higher rates of benefit may be available to recipients of blindness allowances.

Before turning to the financial implications of our present proposal, I might mention that they envisage the continuation of a traditional feature of this legislation. I refer to the provision of higher income ceilings for recipients of blindness allowances as compared with recipients of old age assistance and disability allowances. As I say, this has long been an accepted feature of the Blind Persons Act, and the amendment to be brought before the house carries forward this arrangement.

In March, 1961 approximately 8,600 blind persons were in receipt of assistance at an annual cost to the federal treasury of just over $4 million. The additional costs attributable to the present amendment are estimated at slightly over $1,100,000 in a 12 month period, of which $825,000 would represent the federal share.

One further matter should be mentioned at this stage. As hon. members may be aware, the government has received representations regarding the special needs of groups such as the blind and the disabled. These are receiving consideration as part of our study of the general problem of public assistance, many aspects of which we feel warrant reassessment. As a next step in this process I propose to refer the whole subject to the national council of welfare, the setting up of which was forecast in the speech from the throne. To my mind an advisory group of this type has long been needed in Canada, and I am confident that the council will prove extremely useful in developing guide lines to improve further the effectiveness of our various assistance programs.

Mr. Pearson: Mr. Chairman, the situation in regard to the blind always makes a special appeal to members of the house, as does that with regard to the totally disabled, and I think in the past all members have considered it a privilege to be able to share in action which in some way relieved that situation through, in this case, blindness allowances.

Indeed, Mr. Chairman, the legislative basis for this goes back a good many years and the resolution before us now, which we on this side will support, is designed to improve the position of those who qualify for this kind of assistance under that legislation. I do not believe it will meet all the requests that have been put forward by the Canadian national institute for the blind but as far as it goes it will, I am sure, be welcomed by them and by all other Canadians.

As the minister has pointed out, in this kind of assistance the federal authorities bear not 50 per cent, as is the case with other forms of assistance, but 75 per cent of the total expenditure. I think he said that the expenditure now covers over 8,000 eligible persons and amounts to about $5 million. I believe there are also provincial supplements in Ontario and in some western provinces.

I take it that the resolution we have before us will raise blindness allowances to $65 a month and the income limits to $115 for a single person and $195 for a married person. The same considerations that govern our attitude on this side toward the increase of pensions and allowances to a minimum of $75 govern us in respect of any steps we might take to improve the position of the blind through governmental assistance. Therefore we think that, as in these other situations, the amount should have been $75 and the income limits should have been raised proportionately.

The government has decided to make the amount $65, and so far as it goes we will support it; and with all the more pleasure because it will do something for a category of people in this country who are certainly entitled to everything we can do for them.

Mr. Pitman: Mr. Chairman, I should like to add my congratulations to those of the leader of the official opposition and commend the minister for bringing in this additional payment to those who are blind. None of us, I think, believes that the increase is enough; nevertheless we feel it is an improvement, and for that reason we will support it.

I was very happy to hear the minister mention the fact that both the Canadian national institute for the blind and the Canadian council of the blind have been petitioning the government for some three years, as all hon. members know, with respect to the proposition that those who are blind need a special allowance or special payment which they call a cost of blindness payment. This increase, of course, will only affect approximately one third of those who are blind. Two thirds of those who are blind are self-supporting. The position of the Canadian council of the blind and the Canadian national institute for the blind is simply that there is a cost of blindness which is above

that covered under the Blind Persons Act and that there should be a payment of $25 a month to all those who are blind, whether they are in receipt of some considerable income or a small income as a result of their ability to employ themselves, or whether they are receiving a pension under the Blind Persons Act.

I was particularly heartened this afternoon when the Minister of National Health and Welfare said that this proposal was going to be turned over to the national council of welfare. I was interested in seeing in the speech from the throne that such a council was going to be established, because its opportunities are almost limitless. I think such a council can make Canada really a welfare state and not simply a handout state. I think the whole field of welfare with respect to the aged, blind persons and so on could very well receive scrutiny by such a council. The claims of each group could be justly weighed outside the arena of political controversy, and this is where the proposal of the Canadian national institute for the blind and the Canadian council of the blind could be properly investigated.

It is to be noted with interest that we recognize the needs of people in all fields. We recognize their needs, for example, as heads of families; therefore I believe it is right that we should recognize the needs of blind people. As all hon. members are aware, there are real costs in being blind. Their organizations estimate that it costs some 15 per cent simply for guiding and means of transportation such as taxis, which expense is not necessary for those of us who are lucky enough to be sighted. Their employment opportunities are limited, and certainly during the last couple of years when employment opportunities for all have been limited the possibilities of employment for blind people have been less. An employer who in a period of full employment was able and willing to find a place for someone who was blind is perhaps not able to do so under present circumstances. The competition for jobs may very well become much keener and, though I hope it will not, it may very well be true that it will be harder for blind people to find employment.

I should like to congratulate the national employment service and the various departments for the work they have done in trying to find jobs for blind people. However, blind people without incomes are finding it very difficult to get along. I know one couple who are blind, both of whom go out to work, but not because they want to do so. Actually, they are losing money by going out to work; but in order to feel useful, in order to feel a part of the community in which they live, they do go out to work and accept the extra costs of being employed. They would really be better off financially to remain at home and receive the blind persons pension. I think that the blindness allowance permits these people to play a more active role and thus they can become better consumers.

I remind hon. members that these blind people, too, are part of the market for our industries.

Perhaps at no time in our history have the lessons of economics been more to the advantage of those who are less fortunate. We have finally come to realize that those who are at the bottom of the economic ladder do need help, not merely for their own sake but for the sake of all of us. I do not believe our welfare costs are too high. I think all of us were interested last year when the international labour office of the United Nations brought out a study which was entitled "The cost of social security from 1949 to 1957". We found that actually Canada spent a smaller portion of its national income on social security than most other industrial nations. Even West Germany, this so-called paragon of capitalism, spent some 20 per cent of its national income on social security, whereas Canada spent some 8.5 per cent. Probably the minister will indicate that this percentage has risen since 1957. Undoubtedly, the government will indicate it is partially responsible for this rise. None the less I think we are still behind many of the countries of the world in providing for those who are less fortunate. I find, for example, that Canada is tied with Chile in seventeenth place, and that Britain, France and the Scandinavian countries are far ahead of us. To those who would say that socialist countries tend to destroy their own standard of living, I would say this is not borne out by the fact that Sweden has overtaken Canada in so far as the standard of living is concerned, and now stands in second place. In that particular country, they do have a cost of blindness subsidy or a blindness allowance. This allowance is given without a means test, and that country simply recognizes the real cost of blindness.

I am sure that both the Canadian institute and the Canadian council for the blind have received the sympathetic ear of the minister. I hope, sir, this welfare council will receive the same sympathetic consideration. Its possibilities are, as I said, unlimited. I hope the council will look over the entire area of the welfare field and that they will assess what portion of Canada's national income should be assigned to welfare payments. I hope, too, the council will find some way of establishing certain criteria for the adjustment of these payments. As I mentioned last night, I think

the true factors should be need and productivity. For example, there should be an adjustment for the cost of living because, after all, this $10 increase is only an adjustment to meet the change in the cost of living since the last adjustment in the blind persons allowance was made. We could make these adjustments more frequent, more automatic and adjusted to productivity as well.

Other nations have dealt with the blind with some considerable sympathy. For example, in the United States aid to the blind is dispensed by various states to which the federal government contributes some 75 per cent of the first $20, and the federal government pays 50 per cent of the remainder of the pension up to $50 a month. I am sure all hon. members will agree that we have an opportunity to grant further assistance to those who are handicapped. I hope that we will pass this measure as quickly as we can. I hope that this money will soon be in the wallets of those who are blind. I hope that we will soon record this as a first step towards a more organized approach to the whole field of social welfare.

Mr. Broome: Mr. Chairman, we will certainly pass this measure as quickly as possible but we will not pass it before the members on this side have an opportunity to reply to the distortions put forward by the hon. member for Peterborough. Hon. members over in that corner of the house are supposed to be the conscience of parliament, and to be the conscience of parliament all you have to do is say, this is good but it is not enough. It is a very easy thing to do. I remember back in 1958 there was a slight difference in what they said. At that time, they said, this is good but if hon. members of the opposition of that day had done these things they would still be in office. Now, they have reduced their contribution to a simple formula, this is good but it is not enough.

Well, Mr. Chairman, in so far as social justice payments in the province of British Columbia are concerned I would say that the old age assistance figures in 1960-61 are roughly 50 per cent higher than they were in 1956-57. Payments for blind persons allowances are roughly 65 per cent to 70 per cent higher in 1960-61 than they were in 1956-57. In so far as unemployment assistance is concerned, that is around 300 per cent higher in 1960-61 as compared with 1956-57. In other areas, too, the contributions of the province of British Columbia would average at least 50 per cent higher in 1960-61 as compared with 1956-57. The total amount of social justice expenditures is considerable, and from figures which I have just received I think it would be between $40 million and $50 million more in 1960-61 than in 1956-57.

The hon. member for Peterborough comes along with the old cry about the position of Canada in so far as social justice payments are concerned in relation to other countries of the world. He ought to know, if he is doing his homework as a member of parliament, that the figures he is quoting are loaded. For instance, our figures do not include veterans benefits, whereas the figures for other countries do.

Mr. Martin (Timmins): Will the hon. member permit a question?

Mr. Broome: Yes.

Mr. Martin (Timmins): Does the hon. member mean that our payments to our veterans are a social security measure?

Mr. Broome: I would say to the hon. member that these payments are lumped in with social security payments in the United Kingdom, Australia and so on, and the hon. member for Peterborough was comparing our payments with those payments. In certain areas the veterans payments do come into the social justice field, and I cite as an example war veterans allowances. Is this not social justice? What else would that be called?

Mr. Pitman: Are you disputing the United Nations figures?

Mr. Broome: I say to the hon. member for Peterborough that debates in this house should not be composed of acid and vinegar; they should not be a means of heaping scorn and villainy on hon. members on this side of the house. The hon. member would get a much better reception from his electors if he were to try to introduce an element of fairness in his speeches. There are good things being done and these good things are being done at an accelerated tempo. We agree that these things should be done and it is for that reason we are offering the soundest measures possible.

I have not spoken on any of these resolutions introduced by the Minister of National Health and Welfare, but I agree that the particular resolution dealing with benefits for the blind is one which strikes home to everybody. The problems which the blind have are peculiar to themselves; they are problems for which we can all have sympathy, problems which go far beyond simply providing financial assistance. People who are blind are cut off from more of the good things of life than are any other persons. They need jobs and need opportunities to participate in various activities.

I welcome the minister's intention to refer this whole question to the national council of welfare, because I do not really believe that we can meet the problem simply by increasing the financial benefits. We have to

treat this problem as something very special and I wonder whether the national council of welfare will be able to do that. I do not know, but I suggest a very specialized study must be made, a study which must be undertaken with the fullest sympathy for the people we are trying to help.

I have nothing further to add but I am sure another speaker from this side of the house will be able to give the hon. member for Peterborough a correct view of the facts. I hope the hon. member for Peterborough will take the facts to heart, do a little bit of study himself before entering debate in this house and thus arm himself with something better than a sense of criticism.

(Translation):

Mr. Pigeon: Mr. Chairman, I should like to say a few words and add my congratulations to those extended to the minister who, with the co-operation of his colleagues, is granting a $10 pension increase per month to the blind, the aged and the disabled of this country.

Today, we are witnessing a complete change of attitude on the part of the opposition. When they were in power, they were stingy with the aged, the disabled and the blind, giving them very little, a mere crumb of $6 a month.

At that time, they had advisers. I would even venture to say that their policies were being dictated to them by high-ranking public servants who will soon be Liberal candidates at the next election, among whom we find Messrs. Maurice Lamontagne, Mitchell Sharp, Walter Gordon, Tom Kent, Charles Drury, James Coyne. Those were the people who told the Liberals what policies to follow, who told them not to increase the old age pension by more than $6 a month. "Just give them a few crumbs," they said. At the same time, they were advising the Liberal party to lend millions for the construction of a pipe line. Such was the arrogant manner in which the Liberal members treated the aged, the disabled and the blind of this country.

We are surprised at their attitude. Apparently, they have a new plan—a plan which they did not care to carry out when they were in power. Even there, they are inconsistent.

As proof of this, I shall quote an article by Jean Marc Poliquin, in *Le Nouveau Journal* of February 5, 1962:

> While Mr. Pearson stated before that it would be absurd to raise the old age pension to $75 a month, his colleague Paul Martin now advocates an increase to that level.

Mr. Chairman, that is but one instance of the inconsistencies of these people who, when they were in power, were given the wrong kind of advice by the men mentioned earlier and who, today, want to run under the Liberal party label.

Mr. Chairman, this government should be commended for having once more looked after the welfare of more than a million pensioners in this country. Moreover, their increased cheques will be printed in both languages.

May I say that the views of Mr. Andre Laurendeau do not represent those of the majority of French Canadians. The government has complied with the wish of the whole Canadian people by making this splendid gesture.

Why blame us for having made this gesture, when there has been complete silence for 22 years and complete inaction on the part of the Liberal party.

We should be suspicious of the advisers of the Liberal party I have named and who will run for parliament in the next election. They have caused hardships among our aged citizens, the blind and the invalids. They symbolize dictatorship. As a matter of fact, it was Mr. Walter Gordon who, incidentally, said to the people in the maritime provinces:

> Move on, go away and settle in some other part of the country.

I believe, Mr. Chairman, that these people really represent dictatorship, which the Canadian people are fortunately going to abolish once for all, at the next election.

(Text):

Mr. Martin (Timmins): Mr. Chairman, we have had numerous illustrations in this house over the last year or so as to just how deeply hurt the Tories are by the fact that it is not a member of the government party who represents the good old former Tory riding of Peterborough. Yesterday we had a volley from the other side of the house, in which members of the front bench and cabinet ministers participated, giving strength to what I say. However, I have not been able to decide whether it is the words spoken by the hon. member that are hurting so much or the fact that it is he who represents that riding.

I was amazed when the hon. member for Vancouver South joined in the outcry today. I should like to tell him that not only is he in the wrong role but he is in the wrong play. I believe it was very wrong on the part of the hon. member for Vancouver South, for whom normally I have the greatest admiration.

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

Mr. Martin (Timmins): Certainly.

Mr. Broome: Does he agree with the figures put forward by the hon. member for Peterborough in regard to the percentage of Canadian income expended on social justice payments, as given in the comparison made by the hon. member for Peterborough? I just want to know does the hon. member support those figures. Does he take the responsibility of saying those figures were correct?

Mr. Martin (Timmins): The hon. member seems very disturbed today. Had he waited a few moments more there would be no question in his mind as to that matter. The hon. member spoke about a reasonable amount, but does he think that the present $10 a month assistance increase is enough? Does he think it is enough to look after these people adequately, or is it reasonable to the extent that the Tory party considers this is a reasonable amount in order to get a reasonable number of votes in the next election?

I was amazed to hear him say that the veterans legislation is part of our social security system.

Mr. Broome: On a point of privilege, I did not say "pensions". If the hon. member was listening he would know I did not say pensions.

Mr. Martin (Timmins): This is a very confusing day because I asked the hon. member a question on that very point.

Mr. Broome: I said "war veterans allowances."

Mr. Martin (Timmins): I am sure the Canadian Legion would be interested in this new conservative approach which claims that veterans legislation is part of our social security system. I always thought it was based on the service given by veterans to our country.

Mr. Broome: On a question of privilege; I wish the hon. member would quote me correctly. I said social justice payments, not social security.

Mr. Martin (Timmins): Maybe this is where all the confusion stems from. I have always looked upon our social security program as one that should be based on social justice, but maybe that is not the definition of the Conservative party. That is perhaps where all the confusion arises. If our veterans benefits and our veterans legislation are supposed to be thrown in hodgepodge in our social security program, why is there a different set of rules and a different yardstick for all this legislation? I think the hon. member has raised a matter that certainly warrants more clarification from the Conservative party.

As far as the remarks of the hon. member for Peterborough are concerned, I agree wholeheartedly with every word he said. I thought he made an excellent, very mild and constructive speech in regard to the measure before the committee at the present time.

Mr. Pallett: Even though it was not accurate.

The Chairman: Shall the resolution carry?

Mr. Pickersgill: Mr. Chairman, before the resolution carries there are one or two observations I should like to make about it. Before I make them, if Your Honour would allow me the same latitude as was allowed to hon. gentlemen on the other side of the chamber I should like to make one or two observations about some of the more or less irrelevant things that they said.

I deal first with the honourable and amiable member for Vancouver South who has never, of course, had the inestimable advantage of sitting in the opposition, but who will have that advantage soon if he can get re-elected, which I doubt. The hon. gentleman should have been here in the galleries in 1954, 1955 and 1956 and heard the gentle and honeyed tones used by his leader and the Minister of Finance in their criticism of the then government before he talked about acid and vinegar in debate, because there were no more bitter, no more intemperate speakers—

Mr. Pallett: No more effective.

Mr. Pickersgill: —who ever sat in this house than those two hon. gentlemen when they sat over here, and no two gentlemen with a more total disregard for the facts.

Mr. Churchill: It was a very bad government in those days.

Mr. Pickersgill: I might say that they carried that last characteristic to the treasury benches and have inflated it a good deal since arriving there. Of course, they have had more to work on since then, with their deficits and their 35 per cent increase in the expenditures that they were going to reduce before they went to the treasury benches. We remember that they were going to cut expenditures by half a billion dollars, and look at what has happened to the expenditures.

Mr. Churchill: On a point of order, Mr. Chairman, irrelevancy may be permitted when the hon. member is answering an hon. member who spoke just before him, but to go off on to this tangent miles away from the subject under discussion is surely out of order.

Mr. Pickersgill: Mr. Chairman, on the point of order raised by the house leader, I think it would perhaps have been better if he had raised it when under the guise of discussing pensions for the blind the hon. member for

Joliette-L'Assomption-Montcalm was speaking and making personal attacks upon war veterans, who were not bureaucrats at all, and upon people who served their country in the last war. Indeed, if there is any person in this house who would qualify in most respects for a pension for the blind, it is surely the hon. member for Joliette-L'Assomption-Montcalm, and it may be that he will be able to qualify under the means test after the next election.

An hon. Member: What utter nonsense.

Mr. Pickersgill: I was dealing directly with the suggestion of the hon. member for Vancouver South, out of his vast parliamentary experience, to the hon. member for Peterborough who in my experience is one of the most courteous, though tough, debaters in this house. It seems to me that if hon. members on the other side of the chamber could just toughen their hides a little and not be quite so sensitive about criticism, if they would deal with the criticisms instead of talking about them as smears and deal with the problems in this country instead of pretending that the problems do not exist, there would be much less reason for criticism than there is at the present time. It may be that I have spent almost half as much time in irrelevancy as was spent by hon. members on the other side of the chamber—

Mr. Churchill: You certainly have. You ought to be ashamed of yourself.

Mr. Pickersgill: —and I want now to come back to being strictly relevant and deal with one point made by the hon. member for Joliette-L'Assomption-Montcalm, which was perhaps relevant. He referred to the $6. Of course, that is the stock in trade, indeed the only argument that hon. gentlemen opposite have, because they never attempt to deal with a situation; they just talk about $6. That is all they can say, and they use this $6 to cover up their own deficiencies. As I said the other evening in discussing the Old Age Security Act and the increase of $10 there, if any hon. member takes the trouble to examine the cost of living index and what has happened to the cost of living in the five years since 1957 he will see that the $10 increase now being made is the equivalent of the $6 increase that was then made—

An hon. Member: Nonsense.

Some hon. Members: Hear, hear.

Mr. Pickersgill: —in purchase power and in value. Every argument that hon. gentlemen used in 1957 about the $6 is equally applicable to the $10 in the context of the higher prices we already have, to say nothing of the prices that we can expect after the printing presses have satisfied the extravagant demands of the Minister of Finance over the next few months.

Mr. Bell (Carleton): That is just more mischief.

Mr. Pickersgill: This is a fact that cannot be controverted and I notice that hon. gentlemen show no desire to controvert it. Hon. gentlemen said that the $6 was inadequate, but if it was inadequate then, this $10 is equally inadequate today. The fact of the matter is that it is inadequate, just as we admit that the $6 was away below what we would have liked to do for these people, away below what we should have liked to do for them. But we insist that in doing these things we should proceed in a responsible fashion, that we should make arrangements whereby the money to cover these payments—not all of them; not certain of these welfare payments, but the basic contributory pension—will be collected and contributed and the one thing related to the other and not made an inflationary charge upon the economy.

Mr. Pigeon: You will be a long time in the opposition, don't you worry.

Mr. Pickersgill: If that had been done; if the government had done what they promised to do in 1958—I put the promises of the Prime Minister on the record the other evening and I do not need to repeat them—if the government had, right after the 1958 election, done what they promised to do; if they had brought in a contributory scheme in 1959 and if it had been in operation today, as it could have been—there is no reason on earth why it could not have been—and if they had had any good will, interest or good faith it would have been done, but it was not.

What they did was to wait until the eve of an election and try to use the same promise for a second election. That is what they are doing. If they had established the contributory scheme to deal with the big problem of old age security, they would not have had to give a small $10 increase to the blind; they would have had a financial situation which would have enabled them to do much better than this. But having ignored their promises, having turned their backs on them, and having finally at the last minute produced the feeble constitutional excuse for failing to carry out those promises, they have to deal inadequately, as the Leader of the Opposition has pointed out, with the problem that is now before us.

Before the item passes I should like to put one or two questions to the minister which I hope he can clear up. One of them is this. Would he say whether or not in the experience of his department the incidence of blindness

is increasing or decreasing, whether this burden is growing with the years or whether it is to some extent decreasing in relation to the population as a whole as a result of better medical care and so on?

I have another question. If the scheme the minister referred to in connection with one of the related measures is far enough advanced, as I hope it is, perhaps he could answer this question. Would the minister say what proportion of the blind persons now receiving the means test payment would come under the government's contributory scheme as disabled persons if the government ever produces its scheme?

I would assume, of course, that a person born blind would not, but I would assume that someone who had contributed throughout his working years and, let us say, became blind at age 50 would qualify for a contributory disability pension under the government's new scheme. I should like to know if the minister's scheme is far enough advanced to permit him to give any indication on that point and whether, indeed, it is intended in the new scheme, if it ever sees the light of day, to deal with all persons who after they have begun to contribute should become blind and, if so, whether there would be any limitation on the period of contribution before they would qualify?

The minister may feel that these questions are far too detailed but if there is any view in the department with respect to this matter I think it would be desirable to have it.

I think it is important to remember that this measure by itself is not going to help one blind person in Canada. In every province there will have to be supplementary legislation enacted by the legislature. We have been told, of course, that the premiers of the provinces were only advised about the proposed change on January 18 so of course they had no advance notice to get ready for it. Presumably it will be some time before all provinces can take action. Some of the legislatures are not even in session and so some time will elapse before some of them can take the necessary complementary action.

In replying can the minister indicate how many of the provinces have already agreed to take the necessary action and whether he has any plans, not only with respect to this measure but with respect to the other two related measures, the one we just dealt with and the one with which we are about to deal, to have a conference with the provincial governments with respect to the action it is proposed that we should take?

I have a couple of other questions I wish to ask but I think perhaps I should let the minister have an opportunity to reply.

Mr. McCleave: Mr. Chairman, I shall be brief. I observe that other hon. gentlemen are eager to participate in the debate.

It strikes me that in dealing with an amend- to the Blind Persons Act a great deal of compassion should be voiced by hon. members of this house for these unfortunate people. As I listened to the last speaker, the hon. member for Bonavista-Twillingate, I reached the following conclusion. If hon. members will recall the length of his discourse and the form it took they will feel, I am sure, that approximately 90 per cent of the hon. member's compassion was for the Liberal party—the old Liberal party—and only 10 per cent for the blind persons of Canada with whom we are dealing.

Having said that let me say this. On behalf of the many people in Halifax who lost their sight in the Halifax explosion of 1917, I wish to compliment the government on the step that is being taken to amend this legislation, and to say "well done". On behalf of those unfortunate people in my constituency I wish to thank particularly the Minister of National Health and Welfare for having announced that further studies of these problems will be made by the new council that is being established.

I trust that the debate will continue in an atmosphere of compassion. I urge hon. gentlemen not to speak of the mistakes of the past but rather to devote their attention to what can be done to alleviate the plight of blind Canadians who greatly require our assistance.

Mr. Peters: Mr. Chairman, I did not intend to participate in this debate. I am of the opinion as I believe all Canadians are that the $10 increases in the amounts paid under the three acts with which we have been or will be dealing does not represent social justice. The sum of $10 is not a magically correct amount by which to increase pensions and allowances. I believe as I am sure all Canadians do that the increase of $10 is being introduced simply because it represents all the government can afford in an election year. The increase is introduced because it is an election year and that is all the government can afford.

I was surprised to hear hon. members of both the left and right wings of the Conservative party make unreasonable attacks on the hon. member for Peterborough. I ask this question: Is $10 an unreasonable increase under the three measures that are being considered? I say that the original level of the pension and allowances referred to is not being maintained. The increases in these pieces of legislation have not kept pace with the cost of living.

The request of the blind for an increase of $25 is not unreasonable. I think it is pointless to talk about social justice. We are actually talking about social security which is at a level that cannot be described as making social justice possible, if in this context one relates the two concepts.

The international labour office of the United Nations indicates that Canada is only in the seventeenth place among countries that provide social security.

Mr. Pallett: A complete distortion.

Mr. Peters: The source of that information is the international labour office of the United Nations.

Mr. Jones: Mr. Chairman, I rise on a point of order. The hon. member has referred to a figure. I invite the hon. gentleman to identify the report to which he refers. If I correctly understand what he refers to, it is stated in the report that the figures contained therein are not to be used for comparison between countries. I direct the hon. gentleman's attention to page 5 of the report.

Mr. Peters: I believe the hon. member is right if he is referring to the pamphlet from which I am reading but the facts appear in quotation marks and are taken from other sources. The document referred to is entitled "The Cost of Social Security, 1949-57" published by the international labour office of the United Nations in Geneva. I am not in a position to say whether the figures should have been released. In any event I do not think the hon. gentleman would suggest the figures are wrong.

Mr. Jones: To clear the matter up, Mr. Chairman, let me say I think the hon. member has sufficiently identified the report. However, at page 5 thereof it is stated that the figures contained therein are not to be used for comparison between countries.

Mr. Broome: That is true. Those were the figures used by the hon. member for Peterborough, too.

Mr. Peters: I do not understand why these figures are not to be used and why that request is made on page 5. In fact I have not seen the original document and was not in a position to know that, but I do not think it really matters. No one suggests the figures are wrong and certainly Canada's position is not enviable.

When the Canadian old age pensioners, the blind and disabled are offered $10 as an increase, they know why. We are not saying that this sum is necessary, reasonable or adequate. It is just a nice round figure and we are happy the increase will be given.

It is unfair to say that the hon. member for Peterborough is being unreasonable when he puts forward the request of the blind that $25 be given to all blind people to offset the increased cost of living. In a pamphlet put out by the Canadian council of the blind some of the costs are pointed out. I will read what they say about the matter. They are in an excellent position to tell the Canadian people why these facts are correct in relation to the blind because they represent a large majority of all the blind people in Canada. This is what they say:

> A totally blind Canadian may be able to follow full time employment. Except in rare instances, for perfectly valid reasons, he must spend about 15 per cent of his earnings for guiding services. A blind housewife is generally an excellent cook and housekeeper carrying on quite normally in her own home. Her main problem is shopping. As she must order by telephone and have her goods delivered, her grocery bill or that of any blind person living alone, is easily 10 per cent higher than it would be if she could herself scan the shelves of the supermarkets and go bargain hunting. Blind people of all ages and walks of life encounter similar problems, simply because they are unable to see. Most of them literally cannot afford to be blind but they have no choice in the matter. Adjustment, training and rehabilitation are doing a great deal to increase the competence of the blind socially, vocationally and recreationally, but nothing can alter the fact that it costs money to be blind.

We would not be doing a service to this country if we were to do as government members are doing, and there are so many of them that they are obliged to parrot what the minister says. He is making the statement that $10 is the most that these people are going to be given, but he does not say exactly why. I will suggest the reason, and it is no secret. I suggest that this is all we can afford to give them and the government has a responsibility to examine the treasury and make the allowances in this regard. The previous government decided in dollars and cents how much the increase was going to be and I think this is something the government is obliged to do. But when we talk about social justice I think we should read on in this pamphlet put out by the Canadian council of the blind. In it they say this:

> Basically, an allowance which would assist blind people in meeting the expense of their blindness would help to equalize their position in society with their sighted competitors.

This would be social justice, Mr. Chairman. I was surprised that a man whom I would consider to be a very progressive member of the Conservative party, namely the hon. member for Vancouver South, would confuse the two issues of social justice and social security. I am in agreement that social security under our form of government will always take into consideration what the country appears to be able to afford to pay

and that this amount quite often has no relationship to what social justice would be if we were going to get the best possible in order to overcome a particular problem. Certainly in the case of blindness, no matter how much money we gave them, no matter how high their standard of living became, there would always be a cost of blindness that could not be overcome with money or with assistance.

Mr. Broome: I rise on a question of privilege, Mr. Chairman.

Mr. Peters: Just one moment—

Mr. Broome: I am rising on a question of privilege which can be raised immediately. I have not disagreed with anything in relation to the special needs of the blind. What the hon. member is failing to consider is that my disagreement is with regard to the presenting of what I consider to be false figures by the hon. member for Peterborough.

The Chairman: I believe the hon. member has not raised a question of privilege but rather a debating point. If there are any corrections to be made, I would suggest that they be made at the end of the speech of the hon. member who has the floor.

Mr. Peters: I believe that the hon. member for Peterborough, when he pointed out this need for costs of blindness allowances uniformally paid and paid to everybody who is blind because of the disability incurred, was bringing to the attention of the country something that would fall within the scope of social justice and therefore is something that is to be highly desired by the Canadian people. I am sure we are interested in developing as high a degree of social justice as possible. We do this, of course, by social security. I think it was not fair that both the left wing and the right wing of the Conservative party should have attacked the hon. member for Peterborough on this account.

I suggest the government should give consideration to this matter. It may mean that we in Canada are going to have to change our social security system. The minister spoke of the national welfare council and the operations of it. I hope that this is one of the things that it will take into consideration. In this debate we have been very quiet with respect to bringing forward new ideas concerning the social security set-up of Canada, as we all know that we are only waiting to pass this legislation and then we shall be going out on the hustings and facing an election. We are aware of this situation. Therefore nothing new is required to be introduced at this time. However, the minister should give consideration to discussing such things as the cost of blindness when he has the opportunity to introduce this subject to the national council of welfare. Even if these figures should not have been presented we hope that Canada will be higher on the scale in the future, whatever the scale may be, than are some of the South American countries which we have assumed have not had a standard of living and a social security program that would be in keeping with our gross national product.

Mr. Jones: During the course of this debate some remarks have been made and some figures have been given which make it necessary at this time to set down on the record some of the facts. The hon. member who has just spoken was referring to a situation in Chile, I think it was, and referring to a list he had on which, according to his statement, Canada was seventeenth, having regard to the percentage of gross national product spent on national security.

I happen to have seen the leader of his party on national television when he made a similar assertion. I therefore took the trouble to look into that particular matter, and found the report to which he referred is the one I hold in my hand, entitled, "The Cost of Social Security 1949-57". I would ask you to mark the cut-off date, Mr. Chairman. It is put out by the international labour office and is dated Geneva, 1961. The hon. member could get one for 18 shillings. I think that is the cost of it. When he gets one, perhaps he might turn to page 5 of that report, where he would find the following:

> As the development of the social security system in most countries has not reached its final stage, and the cost elements for the various social security branches differ, the financial data presented in the present volume are of themselves insufficient to permit an evaluation of the efforts made in the different countries in the field of social security.

Right in the very report itself warning is given against using these figures for purposes of comparison. It is interesting to note that in this list contained in this report the United States is somewhere about 25th, we are 17th and Chile is above both Canada and the United States, according to this comparison. But as the report properly points out, this data was not presented for purposes of comparison.

Mr. Peters: It does not say you cannot use it for that reason.

Mr. Jones: I did not hear that remark.

Mr. Pallett: He said that it does not say you cannot use it.

Mr. Jones: No. Hon. members can use it for that purpose if they wish to do so but

they must use it subject to the opinion that is expressed in the report itself as to its value. If they wish to be honest and to be thought to be honest throughout this country they would draw to the people's attention the limitations placed on this report by the authors themselves.

In the remarks of the hon. member for Assiniboia a great deal was said about $100 a month. Then, in his remarks the hon. member who has just spoken asked whether $10 was a reasonable amount by which to supplement these pensions. I thought I might place on the record some of the facts with regard to this matter. I have a survey of the situation as it was in 1961. Going from east to west we find that Newfoundland provides aid through general assistance as required. I have no information with regard to Prince Edward Island. Nova Scotia provides aid through general assistance as required, as does New Brunswick. Quebec instituted a program in 1961 which provides up to $10 per month across the province, up to $25 a month in cities and towns and up to $40 a month in metropolitan centres. Total maximum payments thus range from $65 to $95.

The situation in Ontario is that the province shares in additional payments by municipalities up to $20 a month. Manitoba provides aid through the program of social allowances on a budget deficit basis. Allowances depend on expenditures for various budgetary items up to set maxima. I will skip Saskatchewan for the time being. In 1961 the situation in British Columbia was that a provincial supplementary allowance program provided aid to recipients of old age security, old age assistance, blind persons allowances and disabled persons allowances up to $24 a month on a means test basis. British Columbia has now instituted a new plan effective January 1, 1962. In 1961 the situation in Alberta was that there was a provincial supplementary allowance to recipients of old age security, old age assistance and blind persons allowances up to $15 a month on a means test basis.

Let us look at the Saskatchewan situation, the home of the C.C.F. whose members are making all the noise in the far corner of the house. In 1961 there was a provincial supplementary allowance to recipients of old age security or blind persons allowances—I know hon. members will be interested to hear the amount—of $2.50 a month where total income did not exceed $900. Where income was less than $65 a month supplementation was provided to bring the income up to this amount. Thus the maximum supplementation for a single person was $10 a month. We have payments of $24 a month in British Columbia and $14 a month in Alberta alongside this situation in Saskatchewan which I have described.

Under the spur and inspiration of the Minister of National Health and Welfare, who has done such a wonderful job in his department, the provinces have instituted what they call a budget deficit program of payments whereby budgets are drawn up so that the needs of the recipients are tested according to an accepted formula in each of the provinces.

Mr. Peters: On a point of order, Mr. Chairman, is the hon. member relating what he is saying to the blind pensions debate? I ask this question because he referred to a speech made by the hon. member for Assiniboia last night on this subject, who did not speak on this subject at all but rather on another subject altogether. I am wondering whether the figures the hon. member is giving are related to the allowances given to blind persons by the various provinces.

Mr. Jones: Apparently the hon. member has not been listening to what I have been saying. I will give the figures again as to the situation in Saskatchewan. In 1961 there was a provincial supplemental allowance to recipients of old age security or blind persons allowances of $2.50 where total income did not exceed $900. I think that is related to blind persons. As I have mentioned, as a result of the inspiration of our Minister of National Health and Welfare a budget deficit basis has been accepted throughout most of the country as a proper basis for providing these allowances. Under the inspiration of the Conservative Minister of National Health and Welfare Saskatchewan has altered the situation there. Effective April 1, 1961, their supplemental allowances were placed on a budget deficit basis. Allowances depend on expenditures for various budgetary items up to set maxima. In general, a single person can be assisted up to $75.65 plus an amount for fuel.

I think hon. members will perhaps be interested in knowing what the actual maxima are for the various items for a single person. The amounts are as follows: Food, $23.50; shelter, $35; clothing, $5.50; light and cooking, $6; water, $2.75; household supplies and laundry, $1.30; personal care, $1.60, making a total of $75.65, plus an allowance for fuel. One just has to go to the province of Alberta to find that in general a person there can be assisted up to the amount of $80.70 plus an amount for fuel.

I thought that placing these figures on the record might help to straighten out the situation.

Mr. Martin (Timmins): Will the hon. member permit a question?

Mr. Jones: The resolution before us now is a positive contribution to the welfare of the people of Canada. It is in keeping with the declarations of the Conservative party and with the forward, progressive outlook that the Conservative party has always taken with regard to the care of those who by reason of age, blindness or for some other reason are not able to take full care of themselves.

Mr. Martin (Timmins): Will the hon. member permit a question before he sits down? If the hon. member and the Conservative party are as disturbed as they appear to be about the lack of consideration by the government of Saskatchewan, can he inform the committee why they did not run a candidate in the Weyburn by-election?

Mr. Jones: Unlike the C.C.F. party, the Conservative party believes that there should be local autonomy.

Some hon. Members: Oh, oh.

Mr. Jones: You asked for this and you are going to get it. According to the C.C.F. constitution, it is the brass at the top who say who is going to run in a constituency. We do not believe in that in the Conservative party. We believe in the grass roots deciding such matters.

Mr. Pascoe: Mr. Chairman, the hon. member for Saskatoon has set the record straight in some respects and I should like to set it straight in regard to another aspect which I think should be mentioned. First, however, on behalf of the blind persons in my constituency and their families I certainly want to express appreciation to the Minister of National Health and Welfare for bringing in this resolution so early in the session. I should like to read again the words of the resolution.

> That it is expedient to introduce a measure to amend the Blind Persons Act to increase to $65 per month the maximum amount of allowance in respect of which payments may be made to the provinces under the provisions of that act, and to increase the total amount of allowable income . . . by $180 a year in the case of an unmarried person and $360 a year in the case of a married person.

I hope the provinces will act just as quickly as the Minister of National Health and Welfare has to bring this into effect so that the increased payments can be made as soon as possible.

The minister pointed out in his remarks, Mr. Chairman, that like old age assistance the blindness allowance represented a joint federal-provincial undertaking. However, in the case of the Blind Persons Act the federal share of the cost amounts to 75 per cent as against 50 per cent under the Old Age Assistance Act. I just want to emphasize the fact that Ottawa pays 75 per cent. I have in my hand a pamphlet issued by the department of social welfare and rehabilitation in the province of Saskatchewan with regard to blind persons allowances. Reference is made in the pamphlet to those who are eligible, the benefits received and so on, but nowhere in the pamphlet is there any reference to the federal government. There is one reference which indicates the federal government bears the cost of examination for blind persons, so there is no charge to the applicant. This is the only reference in the whole pamphlet issued last week by the Saskatchewan government with regard to blind persons allowances. I think we should emphasize the fact that Ottawa pays 75 per cent of the cost in this regard.

I have received many representations concerning the special needs of blind persons. Today we heard the minister state that the federal government, too, has received representations and is acting on them. I was interested in the minister's remarks to the effect that these representations are receiving consideration and are part of our study of the general problem of public assistance, many aspects of which we feel warrant reassessment. As the next step in this process the government proposes to refer the whole subject to the national council of welfare, the setting up of which was forecast in the speech from the throne. I think, Mr. Chairman, this advisory group has been long needed in Canada. I agree with the minister that it will prove extremely useful in developing further program to improve the effectiveness of the government's various assistance programs. The only reason I joined in this debate, Mr. Chairman, was to point out that the federal government pays 75 per cent of the cost of this assistance to blind persons.

Mr. Valade: I should like to take a small portion of the time of the committee to correct a wrong impression left by the hon. member for Timiskaming when he said that the only increase in the pension since the scheme was introduced has been a $10 increase. This is utterly false because when the Conservative government first came into office in 1957 they granted a $10 increase. Today, they are granting another $10 increase, so in fact the total increase to the Canadian people has been $20. I just wanted to correct that wrong impression left by the hon. member for Timiskaming.

Mr. Howard: Like other members, Mr. Chairman, I did not intend to participate in this debate except to say I am quite sure it is the feeling of each of us that when it

comes to payments such as these our thoughts should be centred upon our humanitarian feelings for the individuals themselves. Reference was made to this by the hon. member for Halifax, and I join with him in suggesting that this should be the base upon which our feelings rest.

The parliamentary secretary to the Minister of Veterans Affairs dealt with a particular I.L.O. report which was referred to by one of my colleagues. I do not have the document with me to refer to it in detail, but I listened carefully to what the hon. member for Saskatoon said, and according to my memory what he assigned to the report and what the report said were two entirely different things. I thought he, in fact, distorted, altered or paraphrased the words in the report to give the impression he wanted to give.

Mr. Churchill: No.

Mr. Howard: If my memory is not correct—

Mr. Churchill: It is very faulty.

Mr. Howard: Very faulty?

Mr. Churchill: Your memory.

Mr. Howard: The Minister of Veterans Affairs should be the last one to make any comment about faulty memories. He is certainly the one minister who is an authority in that regard. From his own personal experience he should not engage in accusations of faulty memories against other members. If I did not correctly take down the words which the hon. member for Saskatoon read from that document, he can correct me and I shall apologize. That document made reference to evaluations and indicated the relevant positions of certain countries, and the conclusion was drawn that conditions in those countries would not allow for a full evaluation or, a comparative evaluation of the position of social security measures in those countries. They made no reference whatsoever to using those figures and countries for comparison significance.

In that regard, when the parliamentary secretary made reference to people in this party being honest, and wanting to be honest, he should have looked in a mirror himself and decided whether he was distorting things.

This is not the point with which we should be concerning ourselves. I am not interested in getting into a great argument about whether Canada is in the 17th, 16th or first position in a comparison with other countries, nor do I think we should concern ourselves with casting aspersions against provinces, stating that one province is in such a position relative to another. We should be concerning ourselves with what is before us, solely on a humanitarian basis. We should be asking ourselves whether it is the correct thing to do and whether or not $10 is something which really means anything. I submit, as have others, that there is no logical reason why $10 is considered an adequate, a correct, or an incorrect amount of money. Rather, it is a question, as the hon. member for Timiskaming pointed out, of trying to operate within the budget structure of this country —I might add I am sure the Minister of Finance is in the same position—to see what amount of money can be granted as an increase. To try and emotionalize this by saying it is social justice is just nonsense. It is an attempt to provide some degree of social security for these people.

I do not believe that blind persons, old age pensioners and disabled persons, or any others in our society who find themselves in an inadequate financial position because of age, infirmity or some affliction, should be expected to remember the cliches and phrases used by the Prime Minister when he referred to the Liberal party and mentioned "six buck Harris," and the "six buck boys". That is not something with which our elder people should be concerned. They are not concerned whether it is "six buck Harris," or "saw buck John", or whether it is "promising Paul" who is going to be remembered by them.

Mr. Pallett: "Flinching Frank."

Mr. Howard: What parliament should be concerned with is how we can marshal the forces of the country to ensure fairness and equality for these people. I submit we cannot do it by granting $10 now and $10 again, every time we seem to be approaching a federal election.

Recently I said facetiously to one of my colleagues that perhaps what I should do is introduce a bill to amend the legislation which lays down that an election must be held every five years, so that it would provide by law for an election every year. If that were done we would have the greatest old age pensions and blind pensions of the age, regardless of which party was in office. At the moment our attitude towards these people is put on the basis of whether or not the granting of increases comes close to an election.

Mr. Monteith (Perth): There are one or two things I should put on the record before this debate comes to an end. I would like to add another paragraph or two, which appear on page 5 of the I.L.O. publication. I quote:

> However, the committee recognized the difficulties involved in making valid international comparisons . . . The I.L.O. inquiries, however, are universal in their coverage so that comparability between countries is rendered more difficult.

Then there is the paragraph mentioned by the hon. member for Saskatoon.

Mr. Peters: That does not say it is impossible.

Mr. Churchill: Not for you.

Mr. Monteith (Perth): Mr. Chairman, in this index of countries which we have been told should not be used for world-wide comparison purposes, we are told Canada ranks 17th and, as the hon. member for Saskatoon pointed out, the United States comes 24th or 25th. I think it should be stressed that these are 1957 figures at which time expenditures on health and social welfare in Canada were 8.5 per cent of the net national income. In 1960 they were 12.2 per cent of the national income. Of course, in the intervening years there has been a Conservative administration in Ottawa which has done a great deal in the social welfare field.

I should also like to point out that the article which the member of the N.D.P. wishes to use for comparison purposes states that some countries, for instance, reported war veterans allowances and war pensions in this sort of structure, whereas they were not asked for that.

The hon. member for Bonavista-Twillingate asked one or two questions as to the number of blind persons. In 1951-52 the number was 8,079 and in March, 1960, it was 8,671, a slight increase; but of course there has been an overall increase in population. He also wanted to know more details of our plan; but all I can say, Mr. Chairman, is that I shall not be too specific about it, but I expect it will be along the lines of the United States system concerning disability.

The hon. member for Bonavista-Twillingate also said that this $10 increase was comparable to the $6 increase in 1957. I have before me a cost of living index which shows a figure of 121.9 in 1957. In 1951, at the time the $40 provision was passed, the cost of living index was 113.7, a difference of 8.2, or a rise of 7.1 per cent. The cost of living index in March, 1961, was 129.1, and the index in 1957 was 121.9, an increase of 7.2 per cent. When the $6 was granted the increase was 7.1 per cent, but now an increase of $10 is being given when the rise is 7.2 per cent.

Mr. Pickersgill: That, of course, is a year ago.

Mr. Monteith (Perth): In October the cost of living index was down to 124.2.

Mr. Pickersgill: What about December, 1961?

Mr. Monteith (Perth): I do not have that figure here but I think I have answered the questions that were asked of me. I would be very happy to see this resolution going through, and maybe the disability resolution also this afternoon.

Mr. Pickersgill: There is just one question. I should like to ask the minister if he could say how many were covered in the first year of the operation of pensions for the blind, which was, I suppose, 1937-38?

Mr. Monteith (Perth): I do not have those figures here but I would be glad to have them for the hon. member at the time of first reading.

Mr. Pickersgill: Second reading.

Mr. Monteith (Perth): I am sorry—second reading.

Mr. Pickersgill: I think it would be quite interesting if the minister, on second reading, could give us a little picture. I believe all of us would like to know what progress has really been made with regard to the problem of blindness, of which this is an important aspect although I am sure the minister, who is also the minister of health, would say it was not the biggest aspect. The biggest aspect is our desire to prevent blindness or relieve it. It would be helpful if the minister could give us a broad picture of what the prospects are in this whole field, a field in which I believe there is a tremendous amount of interest all over the country. It would be helpful to have that on the record.

Mr. Monteith (Perth): I shall be very glad to do so.

Mr. Howard: I now have the publication from the library. I think I have the correct document. It is from the international labour office and is titled "The Cost of Social Security, 1949-1957". Is this the one to which the minister was referring?

Mr. Monteith (Perth): I beg your pardon.

Mr. Howard: It is from the international labour office and is headed "The Cost of Social Security, 1949-1957."

Mr. Monteith (Perth): Yes.

Mr. Howard: It was printed in Geneva in 1961. I take it it is the same document and I should like to clear up the point raised by the hon. member for Saskatoon, which was dealt with earlier by my colleague from Timiskaming. On page 5 it states:

> The I.L.O. committee of social security experts, at its meeting held in Geneva (January-February 1959), recognized the significance and usefulness of the international comparisons carried out by the office and emphasized the importance of continuing the inquiries on the cost of social security.

The point I wish to make here in respect to that, reading the whole thing in its entirety, is that the I.L.O. committee recognized, as it says—

—the significance and usefulness of the international comparisons carried out by the office and emphasized the importance of continuing the inquiries on the cost of social security.

The committee said it was useful and beneficial to do these things. It goes on to say:

The views were also expressed in the committee that the presentation of relative measures and indices is of particular value.

It continues:

However, the committee recognized the difficulties involved in making valid international comparisons and it therefor appears appropriate to make some general comments on the data presented in part II of the present volume which is devoted to comparative tables.

Here I think it sums up the usefulness of these international comparisons. The people who prepared this particular document recognized the significance and usefulness of international comparisons, the importance of continuing further inquiries, the need to recognize difficulties involved in drawing those comparisons and made comments with respect to the tables themselves, which are contained in part II of the document. This is vastly different from the picture painted to the committee by the parliamentary secretary to the Minister of Veterans Affairs. According to his doctrine or approach to this sort of thing, the document which I have in my hand and to which he referred is useless for the purposes of our discussion here. I think this is not borne out by what the document itself says.

There are some important references and matters to which they refer which should be taken into consideration in drawing these particular comparisons. The hon. member for Timiskaming and the hon. member for Peterborough mentioned that Canada stood in 17th place, I think it was, not from any point of view of trying to degrade ourselves or degrade our country but only from the point of view of indicating to the committee that, while we have concern for the problems confronting those people who are blind, we should not be so complacent about it as to think we are thereby treating our indigents and our people with infirmities and difficulties in any better or more laudable way than they are treated in other countries.

This was the gist of their approach and I think they are sincerely trying to show, from one point of view, what this parliament should be concerned with, and their remarks should not have been subjected to ridicule by both the hon. member for Vancouver South and the parliamentary secretary to the Minister of Veterans Affairs.

[Mr. Howard.]

Let us consider some of the things which must be taken into account in drawing these comparative figures. I read from one part of page 5 of this document which just comes to my eye. The preliminary part deals with some of the factors which must be taken into consideration. It says here:

In addition, the cost of protection against a given contingency varies with the incidence of the contingency; for instance, a country with a high level of unemployment and in which large sums are spent on unemployment protection, or a country which has suffered severe epidemics and has thus incurred heavy expenditure on health services, cannot be considered more advanced in social security than—other things being equal—another country—

Canada is a country which, for argument's sake, spends large sums of money on unemployment protection. Although this report ends in 1957 and perhaps would not take into account the full impact of the Conservative government upon Canada's economy, it would take into account some of the measures that have been instituted in the field of unemployment protection. Thus we must consider whether Canada should be in 17th place or in a different position relative to other countries with respect to the incidence of unemployment and the amounts spent upon it.

I do not think we can over-emphasize this particular question because it is of importance. But, this is not the matter concerning us here. What is concerning us to a larger extent than anything else, and what was of primary concern to us in connection with the measure just passed, the old age assistance and the old age pension—and I certainly would not exclude myself from this, or attempt to exclude anybody else—was an expected national event that might take place soon. This was the gist of it. This was the reason the Prime Minister, in that gleeful way of his, was able to chortle about the $10 increase to the old age pension and refer to the six bucks boys, drawing comparisons on the amount of the increase. With regard to the amount of the increase, I submit that you cannot argue any more for a $10 increase than you can for a $6 increase, or a $25 increase or any other set amount of increase whether it is to a pension, for the blind, for old age or anything else.

Those increases are influenced first by the budgetary picture of the country. We do not know what that is, except that we are deeply in debt and will undoubtedly go more deeply into debt. Perhaps one of the reasons for the reluctance of the Minister of Finance is that he is going to have to end up with income tax increases to help pay for some of these things we are doing now, and he is not telling the

country about it. But this is one of the factors which influences increases of $10, $20 or any other set amount of money.

The other factor which has influenced increases to pensions is whether or not there is going to be an election. Unfortunately, that has been the history of these sorts of social security pensions ever since they were instituted. Governments in office have used them as a means of gaining support at election time by increasing the amount and then saying, "Aren't we nice fellows; we gave you $10. That nasty old other party", whoever it might happen to be, "only gave you $5 or $6. We are better. We bribed you with a larger amount of money. Won't you now give us your vote?" This is true and this is the thing which has been of far greater concern to us sitting here in this parliament than the question of social justice itself. It is a question of social security coupled with an election time, not a desire to meet these problems and deal with them from a humanitarian point of view.

The minister indicated that this question will be referred to a council for some sort of guidance. Perhaps this council will come up with some ideas which will allow us to put these things on a base which is more humanitarian and less political. I sincerely hope this will be the case.

Mr. Monteith (Perth): Mr. Chairman, may I just make one correction. I indicated earlier that there was an 8.2 point rise between 1951 and 1957, which was 7.1 per cent, and a $6 increase. It is actually a 7.2 point rise between 1957 and the present time. It is a 5 per cent rise, and a $10 increase.

Mr. Pickersgill: I thought the hon. gentleman gave the figures for a year ago, and not for the present time.

Mr. Monteith (Perth): March, 1961, and the cost of living in October, 1961 had gone down to 124.2 instead of 129.1.

Mr. Pickersgill: This is February, 1962.

The Chairman: Shall the resolution carry?

Some hon. Members: Agreed.

Mr. Churchill: Mr. Chairman, I wonder whether the committee would agree to proceeding with the other resolution in the name of the Minister of National Health and Welfare and then we could take the bill on this one, as well as the others, tomorrow?

Mr. Pickersgill: Mr. Chairman, it is five o'clock. We would be glad to give first reading to this bill, but some of us have something to say on the other measure and I think we should proceed according to the rules.

Mr. Churchill: I hope your remarks will be more relevant than they were when dealing with this one.

Resolution reported and concurred in.

Mr. Monteith (Perth) thereupon moved for leave to introduce Bill No. C-56, to amend the Blind Persons Act.

Motion agreed to and bill read the first time.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

GOVERNMENT HOUSE

Ottawa, February 7, 1962

Sir:

I have the honour to inform you that the Honourable Patrick Kerwin, Chief Justice of the Supreme Court of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, the 7th February, at 5.45 p.m. for the purpose of giving royal assent to a certain bill.

I have the honour to be,
sir,
Your obedient servant,

Esmond Butler
Secretary to the
Governor General

Mr. Speaker: It being five o'clock the house will now proceed to a consideration of private members' business as listed on today's order paper, namely notices of motion and public bills.

EDUCATION

SUGGESTED ESTABLISHMENT OF ADULT RESEARCH COUNCIL

Mr. Walter Pitman (Peterborough) moved:

That the government give consideration to the establishment of a national adult education research council to gather information and to promote all forms of adult education whether academic or vocational and whether sponsored by private or public bodies and to co-ordinate these programs and to promote the creation of a permanent centre for the scientific study of education for adults in Canada.

He said: Mr. Speaker, I believe the purposes of the resolution are quite clear. The first purpose is to establish a body or council to be known as the national adult education research council.

The purposes of the council would be threefold. The first would be to gather information about all forms of adult education now in existence in this nation. Second, to promote all forms of adult education. There are various forms of adult education now in existence many of which are not well known and require a national focus such as the

sports and physical fitness council is attempting to provide in the area of sports. A third purpose would be to co-ordinate the various types of adult education. There are some forms of adult education which are not receiving sufficient attention simply because there is a great deal of overlapping and I believe there is necessity for co-ordination in this entire area.

Finally, the purpose of the resolution is to promote the establishment of a permanent centre for the scientific study of adult education. I believe this resolution can be improved and I am convinced that hon. members can contribute much by their discussion. There are many hon. members who are interested in the subject and I trust the resolution will arouse considerable debate.

With regard to the constitutionality of my proposal I wish to make it clear at the outset that none of the purposes I have mentioned involves an interference in the rightful activities of the provinces in the field of education. There is no suggestion of the federal government setting up courses or establishing curricula. It in no way involves the existing structure of education, as a provincial matter, in primary or secondary schools. It does not in any way involve itself in language, religion or culture.

The resolution recognizes the fact that the federal government is already active in many forms of adult education. I have already mentioned the sports and physical fitness council which is really a form of education. I also remind hon. members of the various activities engaged in by departments of government including the Department of National Health and Welfare, the Department of Agriculture and the Department of External Affairs. These departments engage in activities which can only be described as relating to the field of adult education.

Many hon. members in this house will remember better than I the important work undertaken by the Department of Veterans Affairs at the end of world war II when many veterans were enabled to take advantage of training and education as a result of the activities of that federal department.

We all know that the Department of Labour is actively engaged in promoting adult education or training under the vocational training act. Under schedule M of the act the department engages in the training of the unemployed; under schedule P, in the training of persons in agricultural subjects, homemaking, forestry and fishing, except in Ontario and Quebec; under schedule R, in the training of disabled persons and under schedule K, in training and educational courses within our armed forces.

[Mr. Pitman.]

It is interesting to remind ourselves of the extent to which the federal government, as the main tax collecting level of government, benefits from retraining, rehabilitating and higher education standards.

I wish to make clear at this point that I use the term "adult education" in the wider sense to include any form of activity which brings about a higher level of skill or of general awareness to any individual in the nation.

I believe we should consider to what extent adult education used in that sense benefits the federal government in its role as the major tax collecting authority. For example, a study could be made of the extent to which the nation has benefited simply from taxation of those veterans who, through their veterans benefits, were able to take higher education in this country at the end of world war II. Some who are earning between $10,000 and $20,000 a year might have been earning only $4,000 or $5,000 a year had training not been made available to them through the department and our veterans legislation.

Mr. Howard Rush of the New York *Times* reports that for every dollar the United States government invests in rehabilitation, it receives back ten in the federal taxes paid by those rehabilitated into employment. For 1961, he reports that the estimated earnings of those rehabilitated during the first year of employment will be about $180 million as compared with $20 million before rehabilitation. Indeed, the cost of rehabilitation was scarcely more than the cost of keeping them on welfare.

May I now turn to the purposes of the resolution. Let me state immediately that my inspiration for this resolution came largely from reading accounts of the recent national conference on adult education which took place in Montreal last fall sponsored jointly by "l'Institut canadien d'Education des adultes" and the Canadian association for adult education. I know there are in this house a number of hon. gentlemen who are members of these bodies.

The following are some of the recommendations and proposals which came out of the committees at this conference which I feel will be of interest to hon. members of this house:

1. We must establish on a national scale, a co-ordinated program of adult education and professional training.

2. We need research at national and community level into needs and motivations of these deprived adults.

3. Government, private enterprise, labour and educators should make an inventory of

their programs to ensure co-ordination and complete coverage in this sector of adult education.

4. The institutions through which adult education takes place need to be strengthened and co-ordinated, both nationally and regionally; residential centres, for example, need to be developed and industry must recognize that such centres will be effective only if it was prepared to support them.

I therefore suggest that the first purpose of the council would be to gather information, due to the vast number of activities in each community. Hon. members are perhaps more keenly aware of this than are others because we receive invitations from many of these organizations. One sometimes wonders how we can possibly attend to the needs of these various agencies; and yet, we really do not know the full or total effect of these agencies. Really we do not know what areas are being covered and what gaps there still are, as a result. Of course, the association for adult education has done its best to gather this information but I think this matter needs a national focus in the same way that the Canadian amateur hockey association and various amateur sports associations have tried in the past to keep in touch with all the activities in the various sports fields. I think all of us in this house agree that there was a need for a national focus in this particular area. I think adult education is an area which needs this kind of treatment as well.

In a review of adult education as far back as 1950—there is a review being prepared for 1960 but unfortunately it is not available as yet—is given a list of 126 different agencies. I therefore put it to this house that before there can be any promotion of adult education or co-ordination of it we must find out exactly what these agencies are doing, what they regard as their purpose, and what they feel are the boundaries of their activities.

I have already mentioned various departments of the federal government. When we look at the organization of adult education at the provincial level we find nothing but a patchwork quilt. For example, in Saskatchewan, we find an association for adult education which just became a reality in 1960. However, there is no such association in Alberta. In Nova Scotia adult education is largely dealt with by or is a part of the department of health and recreation. It is spread over various departments of the provincial government in Quebec. In Ontario it is largely under the department of education in these community programs. In Manitoba, to my knowledge, it seems largely to have been the responsibility of the University of Manitoba and the department of agriculture in that province. I therefore suggest to hon. members that this is an unfortunate situation. I think that no one would wish to see any lessening of initiative at the local level, or bureaucratization at the federal level. However, I think there is a need for direction. I think there is a need for some sense of purpose and co-ordination. I think this ad hoc organization is simply not sufficient for something as important as I believe this matter to be.

Then, of course, there are in existence other agencies. There are the local boards of education which are carrying on night school classes in most centres. University extension work is being carried on. We all know of the tremendous work that has been done by St. Xavier University. We all know of the correspondence courses that Queen's University carries on and also of the extension work of the University of Toronto, McMaster University and Western University. We also know of what has been done for adult education in the field of agriculture by the University of Saskatchewan and the Ontario Agricultural College. Of course, with regard to the other types of agencies, we know of the work done by the Y.M.C.A., the Y.W.C.A. and the Y.M.H.A. We also know of the work that is done by private organizations such as labour unions, chambers of commerce and home and school associations as well as by private industry. In many cases there is a tremendous amount of overlapping within a community. I refer to overlapping on the provincial and national scale. That is why I feel as I do that this is a problem of major proportions in this nation.

We have a great deal of dispersion of activity, energy and resources. We cannot afford this kind of dispersion in a country which has the limited resources we have for dealing with such a subject. This situation was very clear back in 1947 when the province of Manitoba decided to appoint a royal commission. I shied away from suggesting a royal commission in this resolution as I feel that possibly we are making a turn towards the use of councils rather than commissions. However, in the order in council establishing this royal commission we find the following statement which I think is applicable here on the national scene. The order in council goes on to say this:

> And whereas representations have been made to the government of Manitoba that each of the aforesaid agencies—

—which have just been listed and I have already mentioned them—

> —and organizations carries on its work in that part of the field of adult education chosen by it, and that some of such agencies and organizations

in carrying on their work consult and co-operate with other agencies and organizations, whereas others do not;

And whereas under these conditions it is thought that in the whole field of adult education in Manitoba there may be overlapping and even conflict between the work carried on by the various adult education agencies and organizations, and there may be also some portions of the field inadequately covered or not covered at all;

And whereas before further expenditures are made in the whole field of adult education, it is in the government's opinion desirable, to examine and appraise the value of the work carried on by all of these agencies and organizations, and to ascertain the manner in which

(a) overlapping and conflict can be avoided; and in which

(b) the work now carried on in the whole field of adult education may be improved by adequate correlation of existing services, and by the provision of a proper coverage of those parts of the field, if any, in which adult education is not now being provided adequately or at all—

That is why I have used the words "research council" in this resolution. I think perhaps that will be its main function, namely to gather information and to discover where this overlapping is taking place and where these gaps happen to be. I have also suggested, in the final part of the resolution, that we need a permanent centre to discover all the techniques of adult education. The criticism is often made that in our educational system we treat children like young adults and that we treat adults like children. I think the tremendous advances in psychology and psychiatry put at our finger tips a tremendous amount of information which can be put to use in this area of adult education. So often I think we become discouraged by the fact that some unemployed persons do not seem to want retraining, do not want educational opportunities, and that we seemingly have to talk people into doing some of these things. I think some of the techniques which have been used in other areas could well be put to use in the area of adult education. We must find out more about the human mind. We must keep up with the advances in physical sciences. I believe that this is a matter of survival.

I think we need a permanent centre with qualified staff to carry out research projects, and to suggest activities which could be performed by various agencies. We know that the national film board does a monumental work. However, one wonders whether all the things which are produced by what I consider to be a magnificent department in our government are really efficiently utilized and also whether the work of the Canadian Broadcasting Corporation is fully appreciated by the people of the whole nation.

I am sure that other members of this house have reasons why adult education is important. May I suggest only three. This is not something new. It is rather interesting to note that mechanics institutes were set up in the maritimes in 1830, only five years after they had been set up originally in the United Kingdom. Even as early as 1891 one can find what could be called a conference on adult education taking place at the behest of the then minister of education in Ontario. However, I feel that the matter is so much more important today. Unfortunately we have fallen behind in our concept of education. We tend to look upon education as something which is provided for the young and to think that once they have reached the age of 16, 18 or 21 it is a finished thing, that a finished product has been turned out and that education is of much less value or of much less relevancy to people who are older.

The first reason I put forward is that we live in a fast moving age. We know that the knowledge gained in any field, whether it is electronics or metallurgy, is almost irrelevant 20 years later. I think we must adjust our concept of education in order to meet conditions in this fast changing world. Last winter we saw that many of those who were unemployed were in that situation because they had no skill. In many cases they even had no basic education. I think this was a thing which became clearly apparent. I think of a rather interesting experience in my own constituency where the Canadian General Electric Company, which has been expanding its activities tremendously over the last few months, wanted skilled people. There were 1,000 or 2,000 people who had their names registered with the national employment service but the Canadian General Electric Company could not get people to fill the jobs available. They were obliged to go out and set up a training program, in co-operation with the municipal officials, in order to get the people with the required skill to fill the jobs that were sitting there open. I think this is a very acute problem. Mr. Arthur Piggott, the head of the Canadian association of adult education, suggested that last winter we had the worst trained working force in the world. The Minister of Labour indicated that we had been importing our skilled help over the last number of years. I think this is an area for a full scale effort in adult education. We may not have the kind of society where we end our education and then go to work but rather we will have a society where the pattern will be educate, work, educate, work, in order to keep people moving along and make them far more productive.

I feel that this is an area of extreme interest because I find that many young people cannot be motivated to accept education at its full value. They want to leave

school. I think that somehow we have to provide an opportunity for them to return. After all, the loss of people's brains is in my view the greatest waste we can possibly have. According to an article in the *Globe and Mail*, only 6.2 per cent of our people are classified as professional workers while in the United States the figure is 18.6. Only 16.3 per cent of our workers are classified as skilled whereas in the United States the figure is 32.9. In this age of automation we are going to have to keep up. This council may find that $5 million for mental fitness is only a start when it comes to deal with this great problem.

The second reason I suggest is that we live in a dangerous age. Our survival depends on what men know and how they react to that knowledge. Ignorance is not bliss; it is annihilation. I think hon. members realize that we must be concerned about an aroused, misinformed and intolerant public opinion. I believe that adult education is necessary to keep people abreast of the problems of the world in which they live. I cite an example. We all know of the need to give aid to the undeveloped countries of the world. I remember hearing the Secretary of State for External Affairs (Mr. Green), who is perhaps one of the greatest exponents of aid, say to an audience, "If we give any more, your taxes will go up".

I think we in this chamber often realize that there are some things it is hard to sell to the electorate, and I suggest that adult education so that we may have an informed public is one of the greatest assets of the kind of government democracy that all of us I am sure desire. Some may say that what I am suggesting would be a blow to freedom. I do not think the sports council is going to be a blow to freedom. I do not believe anybody is going to be forced to play football or run on a track. In my opinion we live in an age of advertising and selling techniques and we must sell adult education. We must focus attention on it in the same way that advertising agencies are focussing attention on other areas of our society. This is the reason why I think we need a federal focus.

Mr. Speaker: I am sorry to interrupt the hon. member but his time has expired.

Mr. J. C. MacRae (York-Sunbury): Mr. Speaker, I should like to compliment the hon. member who has introduced this resolution on the very fine dissertation he has given on this subject. A few years ago the slogan was used in education week that "education is everybody's business". I suppose the word "challenge" is more overworked than any other in this day and age, but it seems to me, the greatest challenge we have in our domestic life today is in the field of education, not only education of our children but the education of our adults, the education of all Canadians. There was an excellent article in the January 20 issue of the Toronto *Telegram*, an excellent paper, written by Mr. Frank Drea, a *Telegram* staff reporter. He said this in part:

> Canada's biggest economic fight is no longer against unemployment or the threatened loss of once secure markets but the frantic race against time to retrain the most obsolete work force in the western world.

So it seems to me that the problem throughout Canada is to get more and more of our unemployed adults to take training of some kind or other. The resolution refers to vocational and technical training and as I am especially interested in that field I should like to discuss it for a few minutes. I realize that others would also like to speak on this matter.

There is an unfortunate tendency in the country today to believe that if the dominion and the provinces provide school rooms and teachers for vocational and technical training then, as if by magic, the problem of the unskilled man without work will be solved. Some adult unemployed, and I have talked to many of them, as we all have, quickly fall into a mood close to despair, feeling that the world no longer wants them because they lack education or skills in demand. It is not enough to tell them that additional training schools have been and will be provided. Sunk in insecurity, many of them have to be assured that they are fit for training, that they can learn new skills—that, in short, they can have another chance. They need encouragement to restore self-confidence.

Better times are now coming in sight but this will not eliminate unemployment. Unfortunately there is a hard core that will not be eliminated for the simple reason that their jobs no longer exist and will never exist again. Perhaps one of the most common examples is that of elevator operators. Automatic elevators have made operators unnecessary in new buildings. That is automation. It means displacement. It demands that the community take some responsibility for seeing that those displaced are equipped for employment in other fields.

But a fine building and good teachers will achieve nothing unless the unemployed appear to take classes. To make the elderly, the discouraged, the disgruntled or the impatient come to regard vocational classes as their best friends will not be easy. It is apt to be even a harder job than finding the money for schools and for the hiring of teachers.

Proposed Adult Education Council

Yes, Mr. Speaker, we know that a very large percentage of our unemployed have little or no education. In former years a man could get by without very much education and perhaps even without a trade; but that time is past. I know of the case of a man who as a boy of 14 began to work for Canadian National Railways as a rodman. When he retired he was superintendent of the Atlantic region of Canadian National Railways. That kind of thing is very rarely happening now.

A year or two ago one of the finest tasks that has been discharged by the Senate was carried out by the committee of that place on manpower and employment. They produced a great many figures showing the ratio between unemployment and education. They showed, for example, that unemployment rates were high among those who had not finished primary school, as a matter of fact, twice as high as among those who had not attended high school and six times higher than the rate for high school graduates.

A few weeks ago a man came to see me about employment. After chatting with him for a little while I said, "All right, I should like to try to help you find work. How much education do you have?" He said, "I hesitate to admit it but I have none; I am illiterate". My next question was, "Have you any trade?" He said, "No, I have no trade; I am a labourer." What can any of us do for men like that?

As the sponsor of the resolution has said, for a long time adult education was concerned mainly with forums and matters of that nature, but adult education will have to branch out. As a teacher, it seems to me that for far too long we have stressed, and perhaps rightly so up to this point, that education was for living but not necessarily for making a living. All of us have to make a living. Communism and the other isms thrive on empty stomachs. It seems to me we have made a great many mistakes with respect to education. In the time of Dickens it was felt that if a child was chastised enough he would learn. If he did not memorize the two or three pages of Latin assigned to him each evening then the procedure was to whale the dickens out of him, if I may use a pun.

Then, of course, the trend changed and it seems to me that in the last quarter or half century the trend went too far the other way. We were trying to entertain our youngsters in school and trying to make school so pleasant for them. Education is for living as well as making a living, as I have said, and living is work. We must work. It is not all entertainment. I think that the trend is somewhat the other way now. For many years the trend was to build large schools with great gymnasiums and any youngster who lived more than two or three hundred yards from the school was taken there in a bus. Then, they must run the little fellow around in a gymnasium to give him enough exercise. We should be getting away from that, we must because we are in a very changing world.

The sponsor of the resolution said that education is a provincial matter. This is very true. Education is a provincial matter and it ought to remain a provincial matter. Although I am opposed to centralization, in many cases, it seems to me that this is one field in which we might enter more fully on a federal basis, to co-ordinate all those agencies that are working in this field. I must say that I feel our school year for the children of this country is too short. I see no reason why school should not be conducted for at least 44 weeks a year. I suppose I would not be very popular if I were to say that in a school auditorium. In connection with that aspect I might say that a day or two ago I saw a cartoon in which two youngsters were depicted sliding during a terrific winter storm. One youngster said to the other, isn't it wonderful that it was too cold today to go to school? This is another failure we have. We are making it too easy for the children.

I should like to compliment the government, the Minister of Labour (Mr. Starr) and his officials upon their approach to technical education. I have had some dealings within the last year or two with the vocational branch of the Department of Labour. I am sure there is no finer branch of any department in the country. In closing, I should like to say that no matter what we may do in the field of education we must never forget the teachers. The teacher we have at the front of the classroom in any school, vocational, technical or any other field of education, is the most important factor in the whole educational system.

Mr. H. M. Batten (Humber-St. George's): I should like to take a few moments, Mr. Speaker, to make a few comments on this resolution. I should first like to commend the hon. member for Peterborough (Mr. Pitman) for introducing this resolution. I think it is a timely resolution and one that needs debating in a national forum of this type. He explained his purpose in introducing the resolution and went on to say that education in this country is the responsibility of the provinces. I would hope that any program looking toward adult education would also be provincial in its scope and would be under the departments of education of the different provinces.

Of course I must say at the same time there is a national aspect to education. It is because education does have a national aspect that I believe there are some things the federal government can offer to education in general, a service which can be given by the federal government better than it can be given by the government of any of the provinces. This is particularly true in the field of research. It is because of the use of the word "research" in this resolution which the hon. member has brought forward that I have so much interest in it.

I was interested in the remarks of the hon. member for York-Sunbury (Mr. MacRae). In this particular field, of course, he speaks with a professional background and with many years of experience which would command wide respect for his opinion. I think he gave a very practical view of what this problem is. The other day when I was looking over this resolution and wondering what could be said, I looked back over one of the provincial reports of the department of education of Newfoundland for the year 1959. Dr. Florence O'Neil, the director of the division of adult education, in making her report to the provincial government of Newfoundland, began with these words:

> One of the important and worth-while long range objectives of a progressive country is the development of well informed people.

I think that one sentence, Mr. Speaker, sums up the whole purpose, not only of adult education but of all education in the widest sense of the word. We in Canada live in a country that is becoming highly industrialized. We spend millions and millions of dollars every year to refine raw materials that are to be used in industry. We spend millions and millions of dollars to improve the methods to be used by industry. I see nothing wrong with spending money to refine the human resources of our country so that they can make a better contribution to the country during the period in which they live.

We live, of course, in an age of automation. We live at a time when there are many new jobs which were never heard of when I was a boy. I do not believe that, in the long run, automation is going to make less jobs for Canadians. I believe that in the long run it will make more jobs for Canadians, but these jobs will only be for those who are prepared to take them. I think that any scheme to improve education across this country, whether it be provincial or federal, should be in accordance with our needs and not at all in accordance with any scare that might be thrown at us by any nation outside the confines of our own borders. Over the last few years we have heard a great deal about the emphasis being placed on scientific education by the Russians.

There is no doubt about the fact that here in this country, indeed for many years to come and maybe for all time, there will be a great demand for people with scientific training. There are some people who, when they look at what is being done in other countries, feel we are not doing enough in the field of scientific education. I have said this before in this house but I should like to say it again now, that I believe we should develop a system of education that is suitable to our needs. I hope the day will never come when we are going to be stampeded into adopting some form of education just because that form is being followed in some other country. I feel that we in this country would be making a terrible mistake if we were to have our educational system loaded on the side of science without having an equal balance on the side of the social sciences and humanity.

However, I recognize the need for scientific training. As I said before, we are living in an age of automation when there are new kinds of jobs coming up every day, and when there are new types of training required if men are going to fill those jobs efficiently and well. When the hon. member for Peterborough gave his definition of adult education, he gave a very wide meaning to the words. I agree with that because, when we are talking about adult education we should be referring to something which is broad in its concept so that it will take in all the various organizations and various programs which provide knowledge and training, not only for young Canadians but Canadians of all ages. We do, of course, have our basic program of elementary high school education. This is followed by our program of university education. Obviously, for various reasons, not everybody is able to graduate from high school. Only a small percentage of our population can go to university, and a smaller percentage of those can graduate.

But whatever the reasons are for people not being able to complete high school or not being able to go to university, we will have to recognize the fact that if everybody went to high school and even if everybody were able to graduate from university, there would still be a need in the later years to acquire knowledge in some specific form. I might say that if we are to be able to handle the jobs and challenges which industry offers today, then there will be an ever increasing need for improving our knowledge and training.

I believe that over the years we have not had the kindest feelings towards adult

education or vocational education. I believe it is a mild form of academic snobbery and it would profit us if we could get rid of it completely. Nature is going to provide for those who will profit from university work, and I believe nature will provide for those who are able to benefit by technical work. But whatever form of training appears desirable, whether it is academic, technical or vocational, I believe training is needed by different types of Canadians in whatever work they do and in whatever field they make a living.

In many countries there is an increasing need at the present time for adult education, and I believe there is a growing respect for it. I hope in this country we shall also be able to develop an increased respect for vocational and technical education.

Looking back over the years I remember some of the work done in the field of adult education in this country. I am thinking of the work done in the St. Francis Xavier University of Nova Scotia, and of the work done by David Smith in Ontario. One could also think of the youth training program initiated by the federal government in the late 30's, and of the Vocational Training Co-ordination Act of 1942, federal aid to universities in 1952 and, in more recent times, the increased moneys which have been paid to universities and the increased attention which has been given to vocational and technical training.

Each province has now some form of adult education. However, there are many organizations and I believe it would be a good thing if some body or institution would promote research and offer advice and assistance in the further development of adult education. I have not given this matter sufficient thought to decide whether or not there should be a separate body or whether it should be a body within the organization of the Canadian associations for adult education. I have not settled in my own mind what the proper place for such a body should be but, in general, I do agree with the idea put forward by the hon. member for Peterborough.

Mr. M. D. Morton (Davenport): I believe this is a very important resolution as it brings before the house two important needs. One is the need of adult education itself, because it has been estimated that over seven million adult Canadians have never finished high school. In these days of changing patterns of jobs, many of us have noticed the difficulty of obtaining jobs for these people who have not had training. This pattern has created a crisis, but I do not say that adult education should primarily be designed towards the obtaining of jobs. It is much broader than that, but this is one aspect which has created the present crisis.

It also points out the problem arising in Canada regarding the need for co-ordinating the various educational activities. The reason the federal government has had to play an increasing role in education is that education has changed and expanded. It is because, since the days of the B.N.A. Act, it has become so interwoven in our national affairs that it can no longer be considered as only a matter for the provinces. Basically, of course, under the constitution it is the responsibility of the provinces, and I would like to deal for a moment with the constitutional aspect because it is a problem in many parts of the country.

I think we still believe that education is basically the responsibility of the provinces. It was made so under section 93 of the British North America Act in order to protect the rights of minorities. At that time it was also felt that education could be better dealt with from a local level and that financing of education could be better cared for by taxing the land. But, if we look at education at that time and at the expanded meaning of education today, I think we can find the basis of a broader meaning of education without restricting it to being dealt with as a provincial matter.

At that time I would suggest the term education was based on teacher-pupil instruction but, because of the importance of education on a national basis, we have seen the development in which the federal government has had to bring about instruction in the field of agriculture and in technical and vocational training, and in our armed forces where we have provisions by which education is available to many of those who have taken training. We have also many departments within the federal government by which aid is being given to education. Therefore I would suggest that when we are looking at this from a legal point of view we would be wrong in saying that today we must accept the narrow interpretation of education which was applied to it in the days of confederation. I would suggest that the cases, if they were studied very carefully—and I have not the time this afternoon to develop that—would indicate that a broader definition of education would be accepted by our courts in order to validate all that has been done.

I know there is the extreme view that education is entirely a matter for the provinces, and that even money raised and spent on education by the federal government is provided unconstitutionally. However, I believe that is not the prevailing feeling today.

I would suggest that the word "education" cannot be restricted to the activities in schools, in the ordinary sense. It embraces much more, and all the authorities consider education to have a much wider meaning which would embrace every endeavour and matter relating to the acquisition and assimilation of knowledge that people, as well as civilization could undertake. In this sense one could include as part of education what is regarded as civilization. However, this very wide meaning I would suggest is not the meaning attributed to the word used in the B.N.A. Act. If we were to use this as the basis of our thinking it would give ample justification to the continuing involvement of the federal government in the field of education and at the same time it would not interfere with those fundamental rights of the provinces.

I suggest that perhaps some people are too sensitive about those rights, but they are overlooking the great national need when they try to make education a purely provincial matter. I appeal to all those who are interested in the advancement of this country to seek to co-operate and see to it that education is not a matter of one jurisdiction or another but is a matter of co-operation in such a way that the fundamental rights within the provinces are not affected. Therefore I suggest that the resolution brought forward has fair, legal justification.

I should also like to point out that there is a danger if we do not at some time take steps to set up either this or some other vehicle whereby there is co-operation between the provinces and the dominion in respect of education. At the present time under the system of assistance to vocational and technical training we set up certain conditions under which the provinces may receive grants in respect of training. The emphasis is on training. I think there is a danger of the provinces setting up institutions purely and simply to become qualified to receive federal grants and perhaps have within their province two systems of education, one in training and the other in general education. That is a danger that has been expressed in various parts of the country. This is a danger that could be increased if the federal grants are given on certain conditions which do not particularly meet provincial requirements.

I suggest therefore that if we do not have a body set up as is described in this resolution, perhaps the time has come—and I say this with some trepidation that I might be misunderstood in certain sections of this country—when within the federal set up there should be a department within one of our present departments co-ordinating all the educational grants and assistance we are now giving to the provinces. That department would be able to work in co-operation as an arbitrator, not an arbitrator in the sense of deciding what should be done but in bringing together the various provincial groups and trying to learn from them what we can do best without interfering with their local autonomy.

The manifestations of that need are shown clearly in organizations such as C.E.A., which has been operating for many years on the basis that all the educational authorities of the provinces get together and discuss the educational problems of the nation. It places no responsibility as to the decisions to be made but acts purely in a co-operative capacity. The Canadian conference of education is another manifestation of this need. These purposes could be fulfilled in an official capacity under one of the departments of the government and without interfering with the local autonomy of the provinces.

I hope that measures such as this will point up that need and bring about a much needed reorganization, a much needed reassessment of our attitudes toward education in this country, because we cannot grow as a nation if we remain provincially minded; we must think in terms of a Canadian nation. We talk of our material resources. We must also talk in terms of our human resources, and these human resources should not be limited because of narrow-bound, provincial attitudes toward education.

I think there is perhaps a fundamental right involved here when persons and families want to get the best education possible. These rights, these desires should not be hindered because of narrow provincialism. The best can be obtained by the co-operation of all people interested in education.

Mr. Crestohl: Would the hon. member permit a question?

Mr. Morton: Yes.

Mr. Crestohl: Are we to understand from the hon. member's observations that he is recommending federal control of provincial institutions in the way they spend their money on education?

Mr. Morton: If the hon. member had been listening he would know that not only did I not say that but I carefully pointed out that we would not interfere with the local autonomy of the provinces, that it is a matter of co-operation. I think that the type of question the hon. member has asked is a hindrance to education in this country. The time has come when we had better grow up and stop making politics a basis for our decisions in education. It is people like that who prevent progress in education; they think only in terms

of petty provincial politics. We realize that education can be best administered from the local level, as I said earlier in my speech. I know the hon. member is only trying to misinterpret what I said for the benefit of the people in his province.

Mr. Kindt: He just came in.

Mr. Morton: Well, no wonder he did not understand. I do appeal for a greater sense of unity in Canada and, no matter whether it be in regard to adult education or grants to universities, that we think in terms of what we can best do for the future generations of Canada. Let us stop thinking in terms of votes in our various constituencies.

Mr. Deschatelets: That is always the point of view from your side.

Mr. Morton: No, it is not always the point of view. I have sat here and seen how people have tried to turn good things into bad in order that they can interpret them for their own purposes and obtain votes in their constituencies. This is one matter that has been played down through the ages by petty politicians trying to turn people against having a good, co-operative basis for education across this country.

Again I appeal to those who think in terms of a good Canadian culture which takes in the rights of the various provinces across this country, because that is part of Canadian culture, that is part of building a nation, in bringing into the educational system all that is best within the provinces of this country.

THE ROYAL ASSENT

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

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

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

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bill:

An act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1962.

BUSINESS OF THE HOUSE

Mr. Denis: Mr. Speaker, would the house leader outline the business of the house before dissolution—or rather, before tomorrow.

Mr. Churchill: Mr. Speaker, I regret that hon. gentlemen opposite are so nervous.

Mr. Denis: So willing.

Mr. Churchill: The first item tomorrow will be the resolution in the name of the Minister of National Health and Welfare dealing with the Disabled Persons Act. The second item will be second reading of the bill to amend the Old Age Assistance Act. Third will be second reading of the bill to amend the Blind Persons Act. Fourth will be the resolution standing in my name dealing with an amendment to the Civilian War Pensions and Allowances Act. Fifth will be the resolution also standing in my name to amend the Children of War Dead (Education Assistance) Act. The sixth item will be second reading of Bill No. C-36, to amend the War Service Grants Act. Seventh will be second reading of Bill No. C-37, to amend the Veterans Insurance Act.

For good measure, the eighth item will be the resolution standing in the name of the Minister of Transport dealing with a proposed railway line at Whitecourt, Alberta, and the ninth item will be second reading of Bill No. C-48, an act respecting the construction of a line of railway from Optic lake to Chisel lake, Manitoba.

Mr. Denis: Have you forgotten about the speech from the throne?

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

HOUSE OF COMMONS

Thursday, February 8, 1962

The house met at 2.30 p.m.

SUPPLEMENTARY ESTIMATES, 1961-62

A message from His Excellency the Governor General transmitting supplementary estimates for the financial year ending March 31, 1962, was presented by Hon. Donald M. Fleming (Minister of Finance) and read by Mr. Speaker to the house.

Mr. Fleming (Eglinton) moved:

That the message of His Excellency, together with the estimates presented this day, be referred to the committee of supply.

Hon. J. W. Pickersgill (Bonavista-Twillingate): If I might rise on a point of order, Mr. Speaker, in connection with the motion the minister has made, I should like to say that the committee of supply, as Your Honour will recall, was set up pursuant to an undertaking given by the Prime Minister on the first day of the session that certain items would be dealt with in the committee before the address had been dealt with. It seems to me, sir, that in the circumstances and in order to preserve that understanding with respect to the committee of supply, perhaps the minister's motion could stand until the conclusion of the debate on the address.

Right Hon. J. G. Diefenbaker (Prime Minister): If I may speak to this, I would say that the undertaking given was correctly stated by the hon. member today. The other day he endeavoured to make a correction in *Hansard* to bring what he had said into line with what he endeavoured to lead the house to believe had been the undertaking. The undertaking will be maintained and there will be no steps taken in respect to the supplementary estimates even though the motion is accepted today.

I want to make this clear at the same time. The undertaking covered that for which the consent of the house was necessary, namely departing from the speech from the throne in order to deal with those two matters of supply. For other matters of business, the speech from the throne can be interrupted at any time by a decision of the government. The undertaking had to do with that for which the house must give consent and which otherwise could not be dealt with, that is, supply.

Mr. Pickersgill: I rise on a question of privilege arising out of what the Prime Minister has just said. I have no desire whatever to get into any controversy with the Prime Minister about what he may have said on the opening day. However, I did get up in my place in this house on Monday, not having had an opportunity because of a previous engagement to look at the transcript of what I had said on Friday, and I said to the house what I said on that occasion. It has always been the rule of this house that it is the member himself who determines what he said. My intervention on Friday would have had no significance whatever if it had been in the form in which it was transcribed in *Hansard*.

Mr. Speaker: I take it that the matter raised as a point of order has now been disposed of. It was not really a point of order. The hon. member has indicated what he stated was his matter of privilege.

Motion agreed to.

JUVENILE DELINQUENTS ACT

AMENDMENT TO EXTEND SECRECY PROVISIONS TO FILES AND RECORDS

Mr. E. J. Broome (Vancouver South) moved for leave to introduce Bill No. C-57, to amend the Juvenile Delinquents Act.

Some hon. Members: Explain.

Mr. Broome: The purpose of this amendment to the Juvenile Delinquents Act, Mr. Speaker, is to provide for the secrecy of reports filed and for the records in the trial of juveniles, and to provide further that such records be destroyed on a date five years after such trial. This bill was originally introduced by the hon. member for Bellechasse (Mr. Dorion), and I have taken it over.

Motion agreed to and bill read the first time.

COMPANIES ACT

AMENDMENT RESPECTING FINANCIAL STATEMENTS

Mr. E. J. Broome (Vancouver South) moved for leave to introduce Bill No. C-58, to amend the Companies Act (financial statements).

Motion agreed to and bill read the first time.

Proposed Legislation

COMPANY DIRECTORS

BOARDS OF FEDERAL COMPANIES TO HAVE MAJORITY OF CANADIANS

Mr. E. J. Broome (Vancouver South) moved for leave to introduce Bill No. C-59, respecting company directors (directors' qualifications).

Some hon. Members: Explain.

Mr. Broome: The purpose of this bill is to require that all companies created by the parliament of Canada be managed by a majority of directors who are either Canadians or Canadian residents.

Motion agreed to and bill read the first time.

REPRESENTATION ACT

AMENDMENT TO CHANGE NAME OF CONSTITUENCY

Mr. R. S. MacLellan (Inverness-Richmond) moved for leave to introduce Bill No. C-60, to amend the Representation Act.

Some hon. Members: Explain.

Mr. MacLellan: The purpose of this bill is to change the name of the constituency of Inverness-Richmond to Inverness-Richmond-West Cape Breton, as the electoral district includes part of the county of Cape Breton as well as the counties of Inverness and Richmond.

Motion agreed to and bill read the first time.

CANADIAN WHEAT BOARD

PROPOSED LEGISLATION RESPECTING CONSTITUTION AND POWERS

Mr. J. N. Ormiston (Melville) moved for leave to introduce Bill No. C-61, to quieten doubts that have arisen concerning the constitution of and the exercise of powers by the Canadian wheat board and for the resolving thereof (Canadian wheat board).

Some hon. Members: Explain.

Mr. Ormiston: The purpose of this bill is to make an effort to obtain clarification of the powers of the Canadian wheat board to grant or withhold licences to ship grain interprovincially. The remedy suggested is a reference to the Supreme Court of Canada for an opinion. The immediate remedy, pending delivery of the judicial opinion, is the possible transfer of the issuance of such licences from the wheat board to the Minister of Agriculture, who will be accountable to parliament with respect to the granting and review of such licences.

Motion agreed to and bill read the first time.

[Mr. Broome.]

EXPORT CREDITS INSURANCE ACT

AMENDMENT RESPECTING MAXIMUM LIABILITY OF IMPORTERS

Hon. Gordon Churchill (for the Minister of Trade and Commerce) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to amend the Export Credits Insurance Act to increase the maximum liability at any time of importers under outstanding instruments the payment of which is guaranteed by the corporation under section 21A of the act, from $200,000,000 to $300,000,000; and to provide further for a certain change in connection with the administration of the act.

Motion agreed to.

TRADE

CUBA—ADDITION TO AREA CONTROL LIST

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I was going to ask this question of the Minister of Trade and Commerce, but in his absence perhaps the Minister of Finance will be able to deal with the matter. Has Cuba been added to the area control list which governs countries under communist rule and communist domination?

Hon. Donald M. Fleming (Minister of Finance): I think it would be appropriate for me to bring this question to the attention of my colleague the Minister of Trade and Commerce.

CUBA—REPORTED REMARKS ON C.B.C. TELEVISION BY U.S. SENATOR

On the orders of the day:

Mr. J. W. Murphy (Lambton West): I wish to direct a question to the Prime Minister. Has he any comment to make on the remarks made at 10 o'clock last night on the "News Magazine" program of the C.B.C. by a Senator Keating from New York, who said he found it disappointing that Canada did not go along with the United States trade embargo? The senator also criticized the Canadian people and the government of Canada.

Mr. Speaker: The hon. member is asking a question which has been raised each day for two or three days. Of course if the Prime Minister feels that something has now developed which should be imparted to the house, it is his privilege to reply.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I did not hear the broadcast in question, but it is a matter of

some interest, I am sure, to Canadians to have a United States senator telling Canadians over the Canadian national television network what is proper for Canadians. Incidentally I should like to point out this fact, that very few realize what the resolutions were that were passed by the organization of American states. The resolution with regard to economic relations, which is No. 8, resolved upon the immediate suspension of trade with Cuba in arms and implements of war.

We have consistenly followed that course in our dealings with Cuba during a considerable period. It also directs the O.A.S. council to study the feasibility and desirability of extending the suspension to other items. It is of interest that the vote was 16 to 1 in favour of this resolution, with four abstentions, Brazil, Ecuador, Mexico and Chile. Canada's stand has been that in reference to military and strategic commodities we would not trade. It is of interest that the organization of American states has now agreed on the course that we followed voluntarily in the past.

FISH—PRODUCER REPRESENTATION ON CARIBBEAN COMMISSION

On the orders of the day:

Mr. C. W. Carter (Burin-Burgeo): I wish to direct a question to the Acting Minister of Trade and Commerce. Since I have not been able to give the minister notice, perhaps he will prefer to take the question as notice today and reply tomorrow. My inquiry has to do with the Canadian trade commission which is at present travelling around the Caribbean area under the auspices, I believe, of the Department of Trade and Commerce.

Inasmuch as the Newfoundland fish buyers and exporters are represented on this commission, will the minister say why the producers, the fishermen themselves, are not represented on it?

Hon. Gordon Churchill (Acting Minister of Trade and Commerce): I shall draw the question to the attention of the Minister of Trade and Commerce.

TRANSPORT

USE OF U.S. SECURITY GUARDS IN CANADIAN SHIPYARDS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): On February 5 I asked the Minister of Transport a question about the use of United States security guards in Canadian shipyards, and in his reply the minister said in part:

> I will inquire and let him know tomorrow.

Has the minister the answer now?

Hon. Leon Balcer (Minister of Transport): I am sorry. I have not the answer yet, but I shall get it very soon.

SPRINGHILL, N.S.—REQUEST FOR REPORT ON RAILWAY SERVICE

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wonder if I may recall to the mind of the Minister of Transport a question I asked him some time ago about the railway line from Springhill Junction to Springhill, and inquire if the hon. gentleman has anything to report as a result of the investigations he undertook to carry out.

Hon. Leon Balcer (Minister of Transport): I did not undertake to make any special investigation. I simply answered the question asked by the hon. member, and there is no change in the situation as far as I am aware.

Mr. Pickersgill: May I ask the minister if he is able to say yet whether this railway is in fact being torn up?

Mr. Balcer: The railway is still the property of a private company. If the hon. member wishes some information with regard to it he can get it from the private company.

COAL

RAND REPORT—STUDY BY INTERDEPARTMENTAL COMMITTEE

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I have a question for the Prime Minister. Can the Prime Minister inform the house whether the report of the interdepartmental committee set up to study the recommendations of the Rand royal commission on coal has completed its work, and is the Prime Minister in a position to provide the house with a copy of this report or to comment upon the recommendations of this interdepartmental committee?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, following the report of the Rand royal commission an interdepartmental committee was set up for the purpose of looking into the report. It made its recommendations. But of course documents prepared under such circumstances are privileged and are not produced. However, I think I would not be transgressing if I said that examination of the recommendations did not convince the government that they would meet the overall problem over a period of years.

We realize the difficulties in Cape Breton and generally among mining communities in the maritimes. Concerning the Rand royal commission report, the section dealing with

the Louisburg restoration and the like has been carried out. In regard to the other recommendations, the government is continuing to give serious study to the problems of the coal industry. We have, of course, provided subventions at a higher rate than ever before and everything that can be done for the coal industry will be done.

NATIONAL DEFENCE

SAC—REPORTED BOMB-CARRYING FLIGHTS OVER CANADA

On the orders of the day:

Mr. O. J. Godin (Nickel Belt): Mr. Speaker, I should like to direct a question to the Minister of National Defence based on an article by Knowlton Nash in the current issue of the *Star Weekly* magazine which states that "every day SAC bombers loaded with hydrogen bombs fly over Canada". Is it a fact that bombers loaded with hydrogen bombs do fly over Canada? If so, what Canadian clearance, if any, is required in connection with such flights?

Hon. D. S. Harkness (Minister of National Defence): There has been no change in the situation which has prevailed, I think, since as far back as 1956. The matter has been dealt with here in the house on several occasions. The Prime Minister himself has more than once outlined what the situation is. For instance, on June 3, 1958 he dealt in detail with the subject raised by this question.

Essentially the position is that certain United States bombers fly over Canada at different times on routine flights. Each flight is individually cleared, and whatever weapons the planes may carry are inactivated, so there is no possibility of accident.

FINANCE

POSSIBLE INCREASE IN TAXES TO MEET BUDGET DEFICIT

On the orders of the day:

Mr. W. H. McMillan (Welland): I wish to direct a question to the Minister of Finance. Since it would take about a 70 per cent increase in personal income tax or a 100 per cent increase in corporation income tax to meet next year's anticipated deficit, will the minister let the people know before the dissolution of parliament by how much our taxes will be increased?

Mr. Speaker: Order. Perhaps the minister may not be ready to introduce his budget today.

[Mr. Diefenbaker.]

EXTERNAL AFFAIRS

WEST GERMANY—LOSS OF LIFE IN MINE ACCIDENT

On the orders of the day:

Mr. R. C. Coates (Cumberland): I wish to direct a question to the Prime Minister. Would the Prime Minister comment on the terrible mining tragedy that occurred in the Saar basin in West Germany, which has taken an untold number of lives and resulted in a degree of human suffering almost beyond our comprehension?

Right Hon. J. G. Diefenbaker (Prime Minister): When a similar tragedy struck Springhill a couple of years ago, nations all over the world offered their sympathy. There is a common bond among those who have coal miners in their countries, a recognition of the courage with which they daily walk in the face of peril in the discharge of their work. They and their families meet that peril with resolution and courage. What has happened in West Germany is another of those disasters which from time to time remind us of how much we owe to these men.

On behalf of the people and the government of Canada I have sent a message of sympathy to Chancellor Adenauer, together with an expression of hope that those who have suffered injury may be restored to health.

HOUSING

N.H.A.—REQUEST FOR FINANCING OF EXISTING HOMES

On the orders of the day:

Mr. J. R. Garland (Nipissing): I wish to direct a question to the Minister of Public Works. Is he aware of the statement made last week by the newly elected president of the National House Builders Association, William McCance, that the extension of financing under the National Housing Act to older or existing houses—"would do more for the Canadian economy than any other single thing I can think of".

Is the government now prepared to reconsider this matter?

Hon. D. J. Walker (Minister of Public Works): The hon. member keeps repeating this question in different forms and in different guises. I may say that I always read what the president of this important association has to say in connection with housing. I continue to assure the hon. member that the matters he raises from time to time in different forms have had the attention of our department and of myself and that when any announcement can or may be made it will be made, regardless of whether or not the hon. member keeps on reminding us.

Mr. Garland: I was just trying to give the minister an opportunity of perhaps adding some more goodies before dissolution.

POST OFFICE DEPARTMENT

RURAL MAIL COURIERS—INQUIRY AS TO INCREASED REMUNERATION

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I wish to direct a question to the Minister of Finance. Is the government at the present time giving active consideration to improving the remuneration of rural mail couriers?

Hon. Donald M. Fleming (Minister of Finance): I think that question would more appropriately be directed to the Postmaster General.

Mr. Pickersgill: I am very happy to do so.

Hon. W. M. Hamilton (Postmaster General): The rural mail couriers for years have tendered their own prices on the contracts for which they were competing, and they set their own salaries. I would think the hon. member would remember that fact from the days when he was sitting in for the then postmaster general, but I guess he did not pay much attention in those days.

NUCLEAR ENERGY

REPORTED STATEMENT BY U.K. PRIME MINISTER ON TEST RESUMPTION

On the orders of the day:

Mr. Douglas Jung (Vancouver Centre): If I may, Mr. Speaker, I should like to direct a question to the Prime Minister. Would the Prime Minister care to comment on the statement reported to have been made by Prime Minister Macmillan on the resumption of nuclear tests?

Mr. Hellyer: Did you have another caucus this morning?

Right Hon. J. G. Diefenbaker (Prime Minister): The government of Canada was advised in advance by the Prime Minister of the United Kingdom and the President of the United States that an announcement of this nature would be made today in London and in Washington.

The situation created by the recent series of nuclear tests by the U.S.S.R. has given rise to a searching study of the defences of the western alliance, and has raised the question whether those tests had resulted in the U.S.S.R. strengthening its nuclear capability. It is clear that in examining measures which may be necessary to meet the increasing Soviet military capability, the government of the United States and the government of the United Kingdom have sought to avoid any action that might intensify the spiralling competition in nuclear armaments.

The failure to reach an agreement in the three power talks regarding the discontinuance of nuclear weapons tests is very regrettable. We believe that a supreme effort should now be made to work out a mutually acceptable solution to the problem of bringing under control the mounting stocks of nuclear weapons at the disposal of nations throughout the world.

With this objective in mind the Canadian government welcomes the action taken by the Prime Minister of the United Kingdom and the President of the United States in jointly proposing to Mr. Khrushchev that the forthcoming disarmament conference should be made the occasion for giving a new stimulus to the search for a disarmament agreement, and that the conference due to begin in Geneva on March 14 should be held initially at the level of foreign ministers.

In keeping with the position which the government has consistently taken on disarmament and nuclear testing, the Secretary of State for External Affairs will be available to participate in this renewed attempt to seek practical solutions to the many problems with which the disarmament committee will be faced. As has been re-emphasized today by the simultaneous announcement in these two capital cities, this problem is one of overriding urgency. The task of securing disarmament is of ever increasing importance.

LABOUR CONDITIONS

ST. BONIFACE, MAN.—REPORTED ORDERING OF UNEMPLOYED TO SURVIVAL COURSE

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): May I ask the Minister of Labour if he is in a position to say whether he has had any reports on the inquiries made with respect to St. Boniface?

Hon. Michael Starr (Minister of Labour): I have been thinking over the part of the question in which the hon. member requested me to get information indicating whether it is true that the municipal authorities in Brandon—

Mr. Pickersgill: St. Boniface.

Mr. Starr: —or rather St. Boniface were ordering the unemployed to enrol for survival courses. After thinking over that part of he question, it is my view that the question should be directed to the municipal authorities.

Disabled Persons Act

DISABLED PERSONS ACT

AMENDMENTS TO INCREASE PAYMENTS AND ALLOWABLE INCOME

Hon. J. W. Monteith (Minister of National Health and Welfare) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Disabled Persons Act to increase to sixty five dollars per month the maximum amount of allowance in respect of which payments may be made to the provinces under the provisions of that act, and to increase the total amount of allowable income, inclusive of allowance, by one hundred and eighty dollars a year in the case of an unmarried person and three hundred and sixty dollars a year in the case of a married person.

Motion agreed to and the house went into committee, Mr. Martineau in the chair.

Mr. Monteith (Perth): As in the case of the other assistance programs, Mr. Chairman, we are proposing two changes in the Disabled Persons Act, namely an increase in maximum benefit to $65 a month and an increase in income ceilings of $180 a year for a single person and $360 a year in the case of a married person.

With respect to the increase in income ceilings, I would draw the committee's attention to the fact that in this resolution also the proposed new levels are higher than would be necessary to give recipients the full benefit of the increase in pension payments. As is the case with old age assistance and blindness allowances, the new ceilings will provide an added advantage to recipients over and above the increased pension payments.

Mr. Chairman, the changes now being proposed are aimed at further improving a program which has proved of great benefit to thousands of persons across the country. In view of the fact that the costs involved are shared equally by federal and provincial governments, implementation of the higher maximum payments and income ceilings will, of course, require parallel action on the part of the provinces. It is our hope that the provincial governments will see fit to co-operate in this matter to the end that recipients of disability allowances throughout Canada may benefit fully from this latest federal initiative.

As for the financial implications of this resolution it will, of course, involve a substantial increase in federal outlays. In March, 1961 some 50,600 individuals were in receipt of disability allowances at an annual cost to the federal treasury of approximately $16,400,000. The total added outlays resulting from the changes now proposed are estimated at $6,600,000 a year, of which the federal share would be one half or $3,300,000.

[Mr. Starr.]

Mr. Pearson: Mr. Chairman, I do not propose to say very much about this resolution. It is the third or, I suppose, the fourth social security measure that has been introduced. It is a part of the package deal we have received which embodies, if I may put it this way, the quadrennial conscience and the electoral hope of the government.

We have supported these resolutions while complaining about their inadequacy in certain respects and the principles on which they are based in others. We will support this increase in disability allowances, a matter which, as with blindness allowances, appeals to the sympathy of all members of the house.

This increase is based on legislation introduced and passed in the house in June, 1954. It is interesting to note that when second reading of the bill was introduced at that time by my hon. friend from Essex East, who has done so much for social security progress in this country, he had this to say about the background of the legislation which is the basis for the changes that are being recommended today. I would point out that the legislation was introduced shortly after the election of 1953 and not before the election. Speaking on that occasion in moving second reading the hon. member, who was then minister of national health and welfare, said, as found on page 5329 of *Hansard* for June 1, 1954:

—I would emphasize again that this present legislation is based not on my authorship but on the example of others. I must say the real idea belongs to the Prime Minister. He made this offer ... within a week of the holding of the last election. I mention that to indicate that I hope no one will say this represents an attempt to justify political promises made, because there were none made.

Then he added:

This represents a sincere attempt, in co-operation with the provinces, to supply another important development in what we hope is a responsible system of social security in this country.

That was the background, the genesis, of the legislation. Today we are asked to increase the disability grants made under that legislation, and in that way this proposal adds to the social security structure of our country. There has been a good deal of discussion about the effect of social security measures on our economy and progress and the position that Canada has achieved with regard to social security. A great deal was heard yesterday about international labour office reports which indicated or did not indicate the place that Canada held in the world in regard to the proportion of her national income devoted to social security measures. The fact is that social security legislative provisions can be a spur rather than a brake to our economy as well as representing social

progress. I remember having had something to say about this myself when we were discussing a pensions measure in the house on July 19, 1960, and it has a bearing on the measure before us. I said at that time, as found on page 6509 of *Hansard*:

As a responsible official opposition we do not ignore the relationship between social security and financial and economic resources. We know that no government that is responsible in the economic as well as the political sense of the word can do everything. We know that developing social security schemes must be related to the resources of the nation because there is only one way in which these schemes can be financed, namely, by us as citizens of the country. So we on this side do not ignore that aspect of the question and we never have as a party in the past.

Then I went on to say:

—it is clear to us, as I am sure it is clear to every hon. member of this house, that the claims of old age pensioners—

We were talking about old age pensioners, and this applies to those now receiving disability allowances.

—must be very high on the list of priorities when we are considering what more we can do in developing schemes for responsible social security and social progress.

In the same sense the claims of those who suffer from disabilities which prevent them from working and earning their own livelihood are very high on our list of priorities. There is in our minds a question as to the adequacy of this particular measure. Certainly if we applied the test once applied by the Prime Minister to the adequacy of social security payments there might be good reason to think that the increase recommended was not adequate, because the Prime Minister said on April 25, 1957, "A Conservative government would set payments high enough to meet needs". Whether this increase is high enough to meet needs is certainly debatable.

The increase in the disability allowances from $55 to $65 is to be shared with the provinces. The increase can only be brought into operation with the approval of the provinces and, as has been pointed out previously, we are only now asking through this legislation for the necessary approval so that the increase can be brought into effect.

Rather than the proposed increase to $65 —and this is consistent with the stand we have taken on other social security measures —we feel that these allowances should be raised to a minimum of $75, which would mean a proportionate increase in the income limits. In addition, Mr. Chairman, these disability allowances have to be related in our minds, of course, to the proposal for disability pensions as part of a contributory pension scheme. It is surely of the greatest possible importance to have a pension scheme with disability benefits as well as disability allowances.

As we have in the case of the other resolutions, Mr. Chairman, we support the increase in this case from $55 to $65 to be shared with the provinces but we feel, as we have felt in the other cases, that the minimum should be $75 rather than $65.

Mr. Diefenbaker: In view of the fact, Mr. Chairman, that the Leader of the Opposition has chosen to speak on this matter and to deal in general with the question of social security as well as the degree to which social security is of major importance today, I feel that I might be permitted to speak shortly on this matter and deal with the problem in general but with particular reference to the resolution now before the committee.

The Leader of the Opposition has stated his views with regard to this question. He has stated that the amount should be $75 a month. In general he has traversed in rather capsule form some of the arguments that have been advanced before. I intend to refer to the attitude of this government on the question of social security. I agree with him as to his general observations respecting need. I might add to what he has said about social security by saying that in the field of social justice there have been tremendous advances made in the last 30 or 40 years.

Now, speaking from memory, I recall that during the days of Sir Henry Campbell-Bannerman, prime minister of the United Kingdom during the first five or six years of the present century, he was faced with a candidate in Scotland who advanced, amongst other ideas, certain reforms which he contended ought to be brought into effect. There was female suffrage, and assistance to those who were unemployed or unable to work and thereby deprived their families of the source of a proper livelihood. This candidate also advanced a suggestion for something in the nature of old age pensions. The then Liberal prime minister of the United Kingdom said that these doctrines were dangerous and would ultimately bring about the disintegration of the United Kingdom.

With the passing years, however, the need for accepting social security has become more and more apparent and has been accepted by all. In setting up a social security system, we must maintain the independence and freedom of the individual. Some there are who would set up a social security system very much like that in effect in some penal institutions, where you have everything but

your freedom. This does not apply, of course, in our country or those countries that accept the concepts that we do.

When this government came into power we said that, among other things, we would improve the amount of social security being paid. I intend to mention the question of deficits because I hear deficits mentioned from time to time. I am going to give the opposition an opportunity to point out which of these items they would have eliminated had they been in office. When you examine the record you will find that if this government had not advanced assistance to the provinces and, indirectly, to the municipalities, and had not increased social security to a reasonable level, we would not have had deficits during the last several years. I want to give the opposition this opportunity to point out which of these items they would not have inaugurated had they been in office.

Certainly they had a surplus in 1956-57. They had a surplus, but at that time when we asked them to increase the amount of social security, they said "We are paying as much as we can". I will give the necessary quotations in a moment to support that statement. Here they were, with the provinces asking for extra assistance, and the municipalities too because after all when the provinces have made available to them the necessary funds, those funds in turn go to the municipalities. They had a surplus of which they boasted, and when we asked them to do something more than a $6 increase in these various pension schemes the answer was that they were giving as much as they could. In other words they starved the old age pensioners. They starved those who were receiving blindness allowances. They starved the people in all these classifications in order to have a surplus. I am going to give them an opportunity to point out wherein they would have done otherwise.

In any country, no matter how effective the operation of private enterprise, there will always be those who, by reason of age or infirmity require assistance. Now, when the hon. gentlemen who represent—well, I suppose it is the C.C.F.-N.D.P.—speak about social security, they always say that the old parties do not give enough. I ask them to tell the house what extra payments and allowances have been made in the province of Saskatchewan, where a government of that party has been in power for about 18 years. An examination of their social security measures will show that that government generally pays less than several other provinces by way of assistance to the aged and to other groups. I give them this opportunity. They prate, and I ask them to place on the record the facts in this connection. I await with interest the contribution they will make.

Those of us who believe in private enterprise think it is the prime and proper function of government to do everything it can to make the system function and assume an increasing measure of responsibility so there will be equalized opportunities for Canadians everywhere. The opposition talks about deficits. I would point out that there has been an increase in social security payments since 1956-57 of just about $1 billion. I underline that amount. In 1956-57 the amount expended was $1.3 billion, while the estimated amount this year is over $2.3 billion. There was a small portion of these increases due to legislation passed in 1957 before we assumed office.

Mr. Pickersgill: A very high portion.

Mr. Diefenbaker: I beg your pardon?

Mr. Pickersgill: A very high portion.

Mr. Diefenbaker: Yes, the Liberal government put the hospital legislation on the statute books. Who paid for it?

Mr. Pickersgill: The taxpayers.

Mr. Diefenbaker: Yes, the taxpayers. I am glad to hear that because some $180 million of our deficit is due to the fact that this legislation was on the statute books, and we had to meet the bill.

Mr. Pickersgill: Will the Prime Minister permit me to ask him a question?

Mr. Diefenbaker: No.

Mr. Pickersgill: I was going to ask him if he objects to that legislation.

The Chairman: Order.

Mr. Diefenbaker: I always find these interruptions from over there can be heard by the reporters but not by us, and they find their way into *Hansard*. I would ask members of the opposition what portion of this extra billion dollars would they have done without in order to have a surplus. That is a very pertinent question.

Mr. Hellyer: The $500 million in extra interest charges.

Mr. Diefenbaker: What does that little lamb say?

Mr. Hellyer: Hundreds of millions of dollars in extra interest charges.

Mr. Diefenbaker: While the population has increased there have been substantial increases in individual grants, in old age pensions, in old age security, blind and disability allowances, veterans pensions, retired civil servants' pensions, health grants and hospital insurance. A moment ago I said that in the past

four years there has been a vast increase. Instead of indulging in generalities, why do the opposition not say who they would have cut out of the extra amounts that have been paid by this government?

I shall go back to what was said in 1957. The hon. member for Bonavista-Twillingate interrupted me a minute ago. I think he has been under two flags. On October 25, 1957, when we were dealing with the $9 increase, he had some remarks to make. The $6 increase permitted the surplus which they had in 1956 but, according to members of the opposition, that was all that could be given then. On October 25, 1957 the hon. member for Bonavista-Twillingate said:

I want to make a very few observations on the proposed legislation and I say at once, sir, I am going to support it.

Mr. Pickersgill: That is right.

Mr. Diefenbaker: Then he went on to say:

I am going to support it—

He repeats himself—

—but it does present a real problem for all of us who are conscientious representatives of constituents on the Atlantic seaboard. The effect of the legislation the government is now proposing will be—perhaps not for anyone more than myself and the hon. members for Burin-Burgeo and Grand Falls-White Bay-Labrador—to give to the retired adults in many of our communities larger incomes than those of the working members of their families who have to contribute through the sales tax towards the payment of these pensions.

That was a strange argument to advance, that when we increased the old age pension by $9 the result was going to create difficulty for the hon. member. That, at least, affords an excuse for him. It shows why, when he was a member of the government, he allowed that government to increase old age pensions by only $6 in 1957.

I could quote from other remarks made at that time. I quote the hon. member for Essex East, but I shall do no more than quote from him because he is not with us today. On March 22, 1957 he said at page 2607 of *Hansard*:

Mr. Speaker, the budget debate is of more than usual significance this year.

He then went on to deal with the pensions, the amounts and so forth, and he wound up by saying:

If anyone will examine the situation and what has happened to the cost of living since 1952 he will see that the increase in the amount of pensions—15 per cent in its total effect—is very greatly in excess of the relatively slight increase that has taken place in the cost of living in that period.

This was at a time when the Liberal government had great surpluses. How did they get them? By starving those in need, by starving the blind, and by starving those who were crippled. I should like to read some more quotations. The hon. member for Essex East continued:

What we on this side have sought to do is not to give in to the reckless demands of my hon. friend—

—some member of the C.C.F. party had asked for $75, and the hon. member for Essex East replied by saying:

What we on this side have sought to do is not to give in to the reckless demands of my hon. friend nor have we on the other hand heeded the reactionary attitudes of others in this house. We have sought in accordance with what we believe to be our capacity to meet the need which we think exists in this country and I have no doubt that the people of Canada regard the attitude which we take in this matter as the responsible and proper attitude for us to assume.

In effect he said that $6 a month was all the then government could afford. Then there was an interruption:

Mr. Knowles: Forty six dollars a month is the freedom to starve.

Mr. Martin: My hon. friend says, "the freedom to starve." I will tell my hon. friend, for whom I have a high personal regard as he knows, that by the excessive demands that he has made from time to time he has made it more difficult in so far as getting acceptance of some of these measures is concerned.

In other words, anyone who wanted more than $6 was making it more difficult for the then minister of national health and welfare to increase the amount beyond $6. What a difference took place later in 1957, as recorded at page 669 of *Hansard* for 1957-58:

Mr. McCleave: Your view of the $6 has changed also.

Mr. Martin (Essex East): My hon. friend will find if he is in this house as long as I have been that one of the best ways to get along is to recognize that you have to change your views.

That was an admission, and possibly it explains the change which has taken place in recent years.

Let us look at the record. I shall deal with the expenditures in each of the years 1956-57 and 1961-62. Our social justice payments for those two years include veterans pension allowance benefits but do not cover pensions paid to civil servants. I have already stated that a relatively small portion of the increase between those two comparative years resulted from the increases that were made in February, March and April of 1957, but the figures are as follows. For old age security payments, from $379.1 million to $606.6 million, an increase of 60 per cent. For old age assistance payments the federal share increased from $20.3 million to $30.7 million, an increase of 51 per cent. For blind and disability allowances the federal share has risen from $10.1 million to $20.3 million, an increase of 101 per cent; and that is before any consideration is given to

what is now being done under the bill now before the house. Health grants, including hospital construction grants, have increased from $36.3 million to $49 million.

I shall now deal with hospital insurance. As I said a moment ago, it was placed on the statute books before and we have had to raise the money since. My figures were far too low a moment ago when I mentioned the cost. There was no hospital insurance in 1956-57, in the days of the surpluses of which they boast. After having promised it for a generation and a half they placed the legislation on the statute books in a haphazard manner, to be applicable under certain circumstances and we have had to secure the money to make it possible.

With regard to hospital insurance, the first year was 1958-59. The increase has been from $54.7 million to $284.2 million. You begin to see where the deficits came from. I am asking hon. gentlemen opposite to enlighten the house and the country as to which items we were wrong in bringing in, because hon. members will recall that they supported them.

I have already mentioned social justice payments. What about veterans pensions? Veterans pensions in 1956-57 amounted to $175 million. Increases have been made since, and for 1961-62 the amount is $80 million more, bringing the figure to $255 million. Retired civil servants received $21 million in 1956-57; in 1961-62, $41 million. I could go on through the record in this way showing the increases that have taken place, increases that have been accepted by hon. members in all parts of this house. I give hon. gentlemen the opportunity, and I again issue that challenge, to tell me which of these items they would not have brought in. Or do they still have the view they had in 1957, that $6 was enough?

Now I come to the assistance of the provinces. I will deal first with unconditional grants. I will be interested to know whether the Leader of the Opposition is still opposed to shared programs. In other words, does he still believe what he said along this line when he spoke recently in the city of Quebec? Is he opposed to shared programs? If he is, the provinces across this country will have to impose very high taxation in order to maintain the present level of security.

What about the expenditures? Unconditional grants to the provinces in 1956-57 amounted to $552,653,000. I will take the next year because some changes were made. In 1957-58 the amount was $658,199,000. The estimated figure this year is $875,987,000. That represents an increase over 1956-57 of $323 million. When they say we do not act to carry out our promise to the provinces, those statistics, which are unchallengeable, give the answer.

Now conditional grants, which represent federal contributions to programs shared with and administered by them. I again give the Leader of the Opposition the opportunity of saying whether or not what he enunciated in Quebec is the policy of the new Liberal party. Or is it the policy enunciated in January, 1961 at the convention here in Ottawa, of increasing the amount of shared programs? Conditional grants, as I said, have greatly increased. In 1956-57 they amounted to $110,974,000. I want these figures understood because these grants, according to the Leader of the Opposition, are now to be frowned upon; these shared programs are no longer to exist; they are to be allowed to phase out. If they are phased out, what will happen to the individual in these provinces cannot be described as a phase-out.

What are the figures? They are $111 million, in round figures, in 1956-57 and $550 million in 1961-62. Now I deal with payments for the benefit of provincial institutions. In 1956-57 the figure was $25,725,000; for 1961-62 it is $44,048,000. In other words, in the few years we have been in office, in unconditional grants, in conditional grants and payments for the benefit of provincial institutions there has been an increase from $689,352,000 to $1,470,139,000, an increase of some $780 million. Will the opposition say that they will do away with these? All of these changes have been made and these extra benefits secured with no increase in income taxation.

Now I come to the shared programs. I thought the Leader of the Opposition must have been misreported in his speech in Quebec.

An hon. Member: Like you.

Mr. Diefenbaker: I had read with interest the views expressed at the meeting of the grass dominated by the brass in January, 1961, and I was very much interested in the changes that have taken place.

Now let us see what will happen if these shared programs are done away with. Here is the proportion of total federal contributions to the provinces accounted for by shared programs. Again I repeat, it is the proportion of total federal contributions to the provinces. In 1956-57, taking Newfoundland as an example, the percentage was 26.5; in 1961-62 the estimate is 37.7 per cent. Prince Edward Island, from 22.3 per cent to 34.3 per cent; Nova Scotia, from 15.4 per cent to 32.9 per cent; New Brunswick, from 29.6 per cent to 36.8 per cent; Quebec, from 13.3 per cent in 1956-57 to 37.4 per cent in 1961-62;

Ontario, 11.8 per cent in 1956-57 to 34.8 per cent today; Manitoba, from 21.2 per cent to 42 per cent; Saskatchewan, from 20.1 per cent to 38.3 per cent; Alberta, from 14.1 per cent to 35.8 per cent, and British Columbia from 22.5 per cent to 46.7 per cent.

I ask the Leader of the Opposition whether or not he and his supporters are going to do away with these shared programs, as he said in his speech in Quebec. I ask him why he made that sudden change of front, having stated in January, 1961 that the very reverse is the policy of the Liberal party. I might go on from there. I think it is worth comparing the federal budget deficits with the increases in payments made to the provinces from April 1, 1957. The annual contribution in 1957 amounted to $689.4 million.

Mr. Pickersgill: It was all under Liberal legislation.

Mr. Diefenbaker: Yes. Members opposite are now taking the credit for our giving far more than they ever considered was proper. We all build on the legislation of the past. That is the legacy of parliament. The only difference is that the people opposite starved the old age pensioners; they starved the provinces. We decided that increased assistance should be given, and the result of that assistance is that we have incurred deficits.

Now let me tell the committee the total increases as compared with the base year, 1956-57. The increase in the contributions to the provinces in the year 1957-58—

Mr. Pickersgill: Under Liberal legislation. I was just pointing out to the Prime Minister that all the payments in 1957-58 were under legislation passed under a Liberal government. Not one sou came from the present government.

Mr. Diefenbaker: That is exactly the reason I am mentioning the year 1957-58; the hon. member has just learned it now. I do so because I stated, the committee will remember, that there was a change made, and I want the figures to be correct. In 1957-58 the increase was $147.7 million over the year 1956-57. In 1958-59 the increase was $348.5 million as compared with the base year 1956-57; in 1959-60 the increase amounted to $574.7 million, and in 1960-61 it was $626.2 million. For the year 1961-62 the estimate is an increase of $780.7 million over the base year.

I am glad I have had the chance to explain that and to give the opposition an early opportunity to indicate which of these increases they would do without; because if they accept them, there must be a deficit unless taxation is increased. Hon. gentlemen opposite can take their choice; whichever horn of the dilemma they find most comfortable, they may take. These are the facts. When hon. gentlemen opposite go about the country saying this government is a spending government, they should keep them in mind.

I have shown, now, whether or not increases have taken place, and the reason for those increases. What did hon. gentlemen opposite say in 1956 when they had a big surplus? The city council of Toronto got in touch with the hon. member for Essex East, and in this connection I read the headline of a press report dated May 8, 1956. "Government Can't Afford $50 Pension—Martin". That was when they had a surplus. That is when they had the surplus of which they boast. Then the article went on to say, under a Canadian Press dateline:

> Health minister Martin has told city council the federal government cannot afford to raise old age pensions to $50 from $40 a month.
>
> In a letter made public yesterday answering council's request for higher pensions, Mr. Martin said the raise would cost an additional $100 million a year This year the pension bill would be $400 million.
>
> Mr. Martin said he thought council would agree the federal government, by providing 90 per cent of all funds now for old age pensions "is carrying out its fair share—"

And does the committee know what the hon. gentleman said? He had a suggestion to make. I hear hon. members opposite today talking about $75 a month, and they raise the ante every time they make a speech. A policy was announced on January 10 or 11 by the Leader of the Opposition on the question of pensions. They sent out documents, and I have one here. The Liberals have the answers, they say. Then they changed them after we had decided to raise the pension by $10 a month. But this is what was said in 1956 by the hon. member for Essex East:

> Certain provinces are on their own initiative paying supplementary allowances or cost of living bonuses over and above the $40 basic pension. Among these is the province of Ontario, which has provided that the province and municipalities can share in a supplement of this kind on a means test basis. I am aware that Toronto is participating in this arrangement, but it is my understanding that the total for the province is approximately 1900 cases, of which approximately 1200 are in Toronto. I take it that these are the cases which, in the opinion of the provincial and municipal authorities, were felt to be in need of something more than the $40 a month pension. In relation to the total number receiving old age security or old age assistance, this is not a large percentage.

Then he went on to say this:

> If there are still a number of persons who require some additional assistance, it does not seem unfair to suggest that the provincial and municipal governments also have some responsibility in this matter.

That was the attitude taken in 1956, and that, again, was the attitude in 1957.

I could go on and refer to the various promises which were made at the recent meeting on the general subject of social security. There has been a tremendous change —subject to change without notice. In 1956-57 hon. members opposite said "We cannot afford more than $40". They had a tremendous surplus, but they could not afford to do more than that. If there were needy people they were to look to the municipalities or to the provinces for assistance. Well, do hon. members remember that in 1957 the provinces said they were not receiving fair consideration? That was the reason for one of the promises we made, that we would increase substantially the amounts available to the provinces so they might be able to carry out their responsibility. That we have done.

I have followed with interest the various changes which have taken place in the last few weeks on the subject of pensions. I shall deal with that matter a little later, possibly, if the opportunity presents itself. Suffice it to say that the announcement made on January 11, in respect of which literature was sent all over the country, was changed as soon as it was ascertained during the debate on the speech from the throne that the amount of the increase will be $10. That changed the policy of January 11.

Then the party opposite brought in the reformed policy at the end of January. In the argument which was advanced there was again a reference to the need for a contributory system. I am not going into the subject of a contributory system now, because that has already been dealt with at length. However, if the hon. gentleman wishes to get me into that I shall be glad to enter the lists immediately.

I do want to say this. When I read and study the promises, or rather the hopes, expressed in the policy initiated by the Leader of the Opposition and those associated with him, I can only say that it is one of the most prodigious hoaxes in all history. From pretending that they were going to pay $75 they have advanced to—what are the figures? I have them here. One of them predicted $390, though they have been thinking about putting a ceiling on it so the old people will not get too much. They are going to do all this, and they are going to do it without new taxation and with a budget that is balanced. I think I shall have an opportunity to deal with that. What did Mr. Kent say?

An hon. Member: Mr. Kent is not the leader.

Mr. Diefenbaker: No; he is the leader of the leader.

Some hon. Members: Oh, oh.

[Mr. Diefenbaker.]

Mr. Diefenbaker: Apparently that was generally agreed with.

Mr. Brassard (Lapointe): So is Grosart.

Mr. Diefenbaker: In any event, here is what he said at the conference at Queen's.

Mr. Pearson: Body by Fisher.

Mr. Diefenbaker: May I say that "Body by Fisher" is a great deal better than "Brains by Kent"—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: —if this is an example of the thinking that dominates the Liberal party today. At this conference on September 14, as reported by Mr. Harold Greer—and he certainly is not antagonistic to the Liberal party—we find this statement. He deals with the conference at Kingston. I am not going to read the heading.

An hon. Member: Oh, read it.

Mr. Diefenbaker: I shall read only the beginning of it, which is as follows: "Endorsation of a Political Disaster". Then it refers to the conference, deals with the various items, and states as follows:

> Item: Tom Kent, the former editor of the Winnipeg *Free Press* and adviser to Mr. Pearson who now works for a Montreal corporation, presented a 66-page paper which left little to be said on how social welfare should progress in Canada, but his main proposal for financing it consisted of a 50 per cent tax on advertising expenditures.

I could read on, but I shall content myself with reading the concluding paragraphs. With a bow to the hon. member for Bonavista-Twillingate the second last paragraph states as follows:

> It was almost inevitable therefore that the Kingston conference would not be allowed to break up without a warning from the practical politicians—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: The hon. member for Bonavista-Twillingate smiled with satisfaction at that distinction, Mr. Speaker. The press report continues:

> —a task which was performed in a summing-up session on the final day by the master practitioner of them all, John Whitney Pickersgill.

Possibly some time when history is being written, that will be said; I might just interpolate that remark. The report concludes as follows:

> What Mr. Pickersgill said was off the record, but the point of view he expressed will be discussed in a second article.

Mr. Pickersgill: Mr. Chairman—

Some hon. Members: Oh, oh.

Mr. Pickersgill: I wonder if I could ask the Prime Minister if he would read the second article.

Mr. Diefenbaker: If the hon. gentleman wishes to put that one on the record today, he may do so. I have here only the first one.

An hon. Member: Purposely.

Mr. Diefenbaker: I will not read the heading of it. The hon. gentleman knows what the heading is. Out of consideration I would not read it.

I have dealt in general with the policy of social security and the degree to which we have made increases. When I listened to the hon. member for Essex East the other evening speaking of the ills of making promises in social security that could not be carried out, and the evils of them, I wondered how he must have felt when he first heard of this latest policy enunciated by the Liberal party. As a matter of fact, I note they say that there should not really be any increases now, or any direct increases, but rather there should be an over-all plan with an increase only for the purpose of arriving at a basic level.

I have here a report of the proceedings of the final meeting of the policy committee at the national Liberal rally. Under social security it states as follows:

> In the provision of pensions, we are far from being at the end of the road of achievement. The pensions presently available to many older persons are inadequate. This deficiency can be remedied either by a direct increase in monthly payments under the present old age security system or by a new contributory scheme, if this can be worked out with the approval of the provinces and on a sound actuarial basis.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: That was the declaration on April 8, 1961. But does anyone over there on the opposite side of the chamber suggest that the promise of up to $400 a month for a married couple can be brought into effect without taxation? Does anybody say that it can be brought into effect by the present formula of 3-3-3?

Mr. Pearson: Of course not.

Mr. Diefenbaker: The report states that they will do it either in that way or by a new contributory scheme that will be worked out with the approval of the provinces. We believe that the entire social security system can be maintained as it is today and that over and above that plans—including blind pensions, pensions for the retarded, the crippled and all the other varieties—can be brought into being by legislation which will require the consent of the provinces.

When we speak of a constitutional amendment being necessary, the opposition say there is no reason for it. The opinion we received was that there is such a need. We waited. We thought we were going to bring about in Canada the repatriation of our constitution. We had hopes of doing so up until a few months ago. It is now apparent that our hopes in that regard cannot be achieved. Because of that fact we intend to bring before the house the necessary address provided we can secure the co-operation of the provinces. Today the opposition say that co-operation is not needed, yet here is what they said in the declaration of April 8:

> —or by a new contributory scheme, if this can be worked out with the approval of the provinces and on a sound actuarial basis.

In other words what they recognized in April they denied in February. We stated exactly where we stood throughout the entire period, namely that it was necessary to have a constitutional amendment. Already we have been in communication with the provinces. We have stated that we would not in any way interfere with the provinces, but that this amendment is necessary if we are to bring into effect a contributory system, not only for the aged but also providing survivor benefits and bringing into line the various private company schemes to the end that we shall build in this country a security scheme and plan that will be beneficial to all the people. While up to the present moment one or more of the provinces have indicated that they will not join in this unless we give them particulars of the plan in detail, I hope there will be a change in this view. I hope we will not be held up, and that at this session we will be able to introduce the address. Then, properly founded and accepting the premise in the declaration on April 8 last by the Liberal party that consent and co-operation by the provinces are necessary, we will be able to achieve a measure of security over and above the present system that will maintain reasonable opportunities for all in our country especially for the many today who, because of illness, infirmity and the like, are unable to take their equal place in the battle of life.

Mr. Fisher: Mr. Chairman, the Leader of the Opposition gave us the genesis of welfare legislation, and it seems to me that the Prime Minister has, in biblical terms, given us the revelation. We are out of biblical order, but it seems to me that this is all a prelude to the exodus, and I do not intend to join in with lamentations of any kind.

Our group is ready to support this legislation, as it has been in the case of most of the measures that have been brought forward.

Some hon. Members: Oh, oh.

Mr. Fisher: I should like to say to the Solicitor General—

Some hon. Members: Oh, oh.

Mr. Fisher: I hear a lot of interruptions, Mr. Chairman. Perhaps I might stop and they could be made a little more loudly. You are not shouting loudly enough.

Mr. Churchill: Say something worth while and there will be no interruptions.

Mr. Fisher: Is that not a magnificent thing for the house leader to say? I want to make some remarks about the speech that has just been made, and I should like to refer to the Solicitor General who earlier this session pointed out the mistakes made by that great socialist in Newfoundland, Joey Smallwood. I should like to tell him that we have heard today the greatest inadvertent revealing of socialist policy that I have encountered. There has hardly been any legislation brought before this parliament for which we have not been able to vote.

Some hon. Members: Oh, oh.

Mr. Fisher: What are you laughing about? I wonder that the hon. member for Dufferin-Simcoe and the rest of the members of that party who claim to be private enterprisers are not a bit suspicious about this great socialist who has just spoken. He has used the term "social justice". Under the Prime Minister this government has been committed to forms of transfer payments that are increasing the scope and range of government activity. I want to talk about the paradox that exists when we have people like the Solicitor General saying what fools we are to be supporting socialistic ideas and belittling that great socialist in Newfoundland, Joey Smallwood, when all the time he is supporting legislation such as this, the very stuff of what the C.C.F. has been campaigning for over the years.

Mr. Pallett: Claptrap.

Mr. Fisher: One of the great difficulties of the C.C.F. party has been that both the Liberal party and the Conservative party have brought to the fore these great, inadvertent socialists. There is no denying that almost every item we have had this session relating to a welfare program has had a prominent place in the program of our party.

Mr. Benidickson: And at one time opposed by the Conservatives.

Mr. Fisher: Wouldn't we be complete fools not to support them?

Mr. Pallett: You would be fools whether you did or not.

[Mr. Fisher.]

Mr. Fisher: I should like to make the point that there is nothing really contentious in this legislation, and it should be greeted with ready acceptance. There is only one real criticism, and I am sure we are going to hear more about it from the official opposition because they have their specialists like Mr. Gordon. The only real criticism is that there has been nothing wrong with the social welfare legislation of the government except that it does not fit into the total pattern of economic growth. The main criticism of the government that we would put forward is not with regard to its measures in the field of social welfare or social justice, to use the Prime Minister's words, but rather that there has been a failure to come to grips so far as administration is concerned, a failure to produce an economy expanding fast enough to take care of some of these changes.

It seems to me that the contentiousness so far as this legislation is concerned is absolutely minimal, and instead its relationship to an election or what one might call parliamentary barter is much more apparent. The C.C.F.-New Democratic party is happy with this particular piece of legislation. It is happy with the larger circumstance into which this piece fits, and we support it very readily.

Mr. McGee: Why do you not smile when you say that?

Mr. Fisher: The hon. member asks why I do not smile. I might say the same thing about the Prime Minister. Why did he not smile a bit at the wonderful genesis that the Liberal party gave to this kind of legislation? Why are we not honest about this particular field of activity? Admit that when these measures have come to the fore time after time we have supported them just as we will support this legislation. To me the real joke is the joke upon those members of the Conservative party who feel they are private enterprisers and free enterprisers.

I should like you to look at the statement "Operation Freedom" that the chamber of commerce has put forward and which is going to constitute their great campaign for 1962, and see how that squares with the kind of socialism that your great leader is pushing and extending in his so-called social justice legislation.

Mr. McDonald (Hamilton South): Mr. Chairman, we have just heard from one of the biggest blowers the New Democratic party has ever had.

Mr. Peters: Don't make your swan song.

Mr. McDonald (Hamilton South): The hon. member at the back over there is always babbling like a brook.

Mr. Fisher: You are hitting a high level.

Mr. McDonald (Hamilton South): In the Conservative party today there are many people who support the workingman. They do not look down upon him or try to use him for their political advantage. In the Conservative party today we can have private enterprise with social justice and welfare, and we do not need nationalization by any socialist party.

I should like to speak a little about the legislation that is before us, dealing with disability pensions. I am not a specialist in a lot of things like the members of the New Democratic party and the Liberal party, but I know something about disability pensions. These people deserve a good break all the way down the line. The members of the official opposition tell us that they have done everything. The hon. member for Essex East brags and boasts about all the pieces of social legislation that he has put on the statute books, but when they had a surplus of well over $250 million in 1957 what did the Liberals do for the old age pensioners, disability pensioners and blind pensioners? They gave them a $6 increase.

Mr. Brassard (Lapointe): We instituted them.

Mr. McDonald (Hamilton South): The hon. gentleman from Lapointe is always interrupting. Get up on your feet and talk about this thing. Find out what is going on. When the government goes to the country the next time it will go with a clear conscience that it has tried to do its best in the social welfare field throughout Canada, and has not tried to buy votes as the official opposition are trying to do with their program of political juggling.

Mr. Pearson: Mr. Chairman, I had not, of course, intended to participate for a second time in this debate on disability pensions. However, you will know, Mr. Chairman, that the debate has now been opened wide by the Prime Minister. It is now possible, according to the Prime Minister, who was permitted to do so, to talk about anything in the world and under the sun. I assume we will be given the same liberty the Prime Minister was given. He spent about an hour and ten minutes on his speech, and only about three minutes of that was on the resolution before us.

During his statement he indulged, as he did the other day, in a good deal of derisive, personal attack on individuals who are not able to speak for themselves in this house. It is a characteristic tactic of the Prime Minister—

An hon. Member: Bill of rights.

Mr. Pearson: Yes, the author of the bill of rights; he attacks in this house, by name, those who cannot defend themselves in this house, just as last session his government attacked the governor of the Bank of Canada in this house without giving him a chance to defend himself. It is one way of dealing with the serious problems that confront the country at the present time. It is the method which seems to appeal most to hon. gentlemen opposite. They get a great deal of encouragement and support from their supporters as they put on this kind of performance.

I think it goes a little too far, Mr. Chairman, when the Prime Minister of this country will single out men by name, as he has done and as indeed he did today, and accuse them of being bureaucrats, of having throttled the liberty of the country during the war, of being responsible for orders in council—

Mr. Pallett: The Leader of the Opposition, Mr. Chairman—

Mr. Pearson: The hon. gentleman can sit down.

Mr. Pallett: The Prime Minister at no time—

Some hon. Members: Sit down.

The Deputy Chairman: Order. Is the parliamentary secretary rising on a point of order?

Mr. Pallett: On a point of order, Mr. Chairman.

Mr. Robichaud: Make a speech on your feet for a change.

Mr. Starr: Stop the closure, boys.

Mr. Pallett: The point of order, Mr. Chairman, is this. There can be no misquotation, direct, intentional or accidental, of a speech made immediately prior in a debate. The Leader of the Opposition cannot point to any remarks made by the Prime Minister with reference to any bureaucrat, any veteran service or anything of the like, as the Leader of the Opposition has just now done. This is the point of order I raise, Mr. Chairman.

Mr. Robichaud: That is closure.

Mr. Pearson: I take it, Mr. Chairman, you are going to deal with this so-called point of order.

The Deputy Chairman: I do so very briefly. The point raised by the parliamentary secretary is one of debate, and I cannot recognize it as a point of order. I would therefore ask the Leader of the Opposition to continue.

Mr. Pearson: The point the hon. gentleman was trying to make was that there could be no misquotation, misinterpretation or misstatement on my part of a statement that had been made just previously by the Prime

Minister. If that rule had applied also to the Prime Minister in his speech we would only have had to listen to him for about five minutes instead of for an hour and five minutes.

As I was saying before the hon. gentleman so gallantly came to the rescue of the Prime Minister, it is not part of the dignity of debate in this house to single out by name people who cannot defend themselves, misinterpret their views, misquote their remarks, and then have someone else get up in the house when an attempt is made to reply to this kind of attack and say that is out of order.

Mr. Jones: Are you referring to the speech you made against Alvin Hamilton?

Mr. Pearson: When the Prime Minister introduced this subject and introduced these men by name, and talked about them and their activities during the war, referring to them as bureaucrats, he forgot that one of them was leading his brigade across Europe at that time. He was not in Canada at all; he was abroad. Then the Prime Minister talked about the Liberal conference at Kingston, at Queen's University, and talked about a member of that conference daring to advocate a tax on advertising in a paper which he gave to the conference.

The Prime Minister keeps referring to this matter. I know it is very difficult indeed for the Prime Minister, and it is difficult for most members of the Tory party, to understand how a conference of that kind can be held at which ideas are encouraged and not throttled. In so far as this particular proposal was concerned, which I will say I did not think was a very sensible one, it seems odd to find the Prime Minister attacking it, as he has done so many times, when he is now about to introduce into this house a measure which would impose a 25 per cent tax on advertising.

However, that is not the only inconsistency in the Prime Minister's observations. This afternoon the Prime Minister showed an almost morbid, certainly a passionate preoccupation with the past; and by "past" he means the fairly immediate past, going back to 1957-58. It is quite clear, Mr. Chairman, that the Prime Minister tried to concentrate on 1958 so that he would not have to concentrate on 1962. In view of what is going to happen to the Prime Minister and his friends in 1962, I can understand his passionate determination to return to 1958.

He does not, however, go very far beyond 1958 when he talks about social security, social justice and the development of these things in our country; because if he did, if he wanted to go over the whole history of the development of social legislation now on the statute books, he would find that practically every piece of legislation in that field was once opposed by his party. Almost all these social security measures, including children's allowances, were once opposed by them, but in the course of time they saw the error of their ways. They realized that if they continued to take that Tory approach to these progressive measures they never would leave the opposition.

Perhaps it is a compliment to the Liberal party which introduced these pieces of legislation that now, in principle at least, social security is non-partisan. All parties approve of it. In his efforts to show what he and his government have done to improve our social security structure in recent years, the Prime Minister of course dragged out, as he has done before and no doubt he will again, but I hope not for very long, and manipulated his selective statistics, his phony and incomplete returns. All the figures which he put on the record this afternoon, Mr. Chairman, have been put on before and they have been dealt with by this side.

Mr. Diefenbaker: Were they not correct?

Mr. Pearson: They were not correct. They were incomplete and incorrect and, as the Prime Minister has opened up the subject, we on this side of the house will take all the time required to correct the figures and complete the record. It is part of that educational process which should be so rewarding to hon. gentlemen opposite.

An hon. Member: Which ones would you eliminate?

Mr. Pearson: The Prime Minister, among other things, referred to some of the proposals we have been making on this side, and in particular he referred to our plan for contributory old age insurance as a gigantic hoax. I recognize the authority of the Prime Minister to talk about hoaxes.

Mr. Jones: He has been studying Liberal hoaxes for a long time.

Mr. Pearson: In this field what greater hoax could there have been—

Mr. Walker: Than Lester Pearson.

Mr. Pearson: I know that hon. gentlemen opposite, when they get a little harassed, descend to the low level of personalities. That is their stock in trade.

Mr. Bourget: It is typical of the Minister of Public Works.

Mr. Pearson: That is the way these hon. gentlemen are governing the country—

Mr. Jones: Nonsense.

Mr. Pearson: —by personal abuse in this house instead of meeting the arguments advanced, and instead of telling us what they are going to do to help the country in these difficult times.

The contributory pension scheme which we have put forward has been explained in detail in this house during the last few days, but the explanations did not make much impression on the Prime Minister.

Mr. Starr: Or on the country.

Mr. Pearson: The record will stand and it will be shown. It is very easy to show that this is a good scheme of contributory insurance and that it will do more for the pensioners in this country, in an equitable way, than anything being put forward by the government. When this proposal was put forward on January 5, 1962, it was designed by contributions to establish a minimum pension level of $75. Then the government came along afterwards. We know now why they altered the speech from the throne at the last minute. It was because of the introduction of our plan that they started juggling with their own.

They introduced their own proposal for a contributory plan and, also a $10 increase which raised the basic minimum from $55 to $65. In parentheses I may say that our proposal for contributory insurance in so far as its application to existing pensions is concerned was based on the basic minimum of $55. When that was increased by government action, or a government proposal to parliament, to the $65 level, had we been irresponsible on this side we could have added our $20 to the $65 and increased the minimum to $85.

Some hon. Members: Oh, oh.

Mr. Pearson: I can imagine what the laughing cavaliers on the other side—and I am using a very polite word when I say "cavaliers"—would have said had we increased the minimum from $75 to $85. We stuck to the minimum of $75, but because the original minimum was increased from $55 to $65, it meant that we would be able to increase that minimum at an earlier date than we expected. That is the course of common sense and responsibility, and to describe this plan as a hoax is an indication of the mentality of the hon. gentleman who applies that description to it.

Now I shall tell you about a proposal which, indeed, is a hoax. It is the proposal contained in the speech from the throne that this government in 1962, on the eve of an election—if they ever get around to calling it—

Mr. Diefenbaker: You are frightened.

Mr. Chevrier: You were going to call it two months ago. What happened to you?

Mr. Pearson: If the hon. members opposite are not, in fact, frightened about the possibility of an election, why does the Prime Minister not call an election?

Some hon. Members: Hear, hear.

Mr. Pearson: The proof that they are frightened is the fact that they do not do anything but talk about an election. In 1957-58 members of this government, which in 1962 has put forward a proposal for a contributory insurance scheme, went from coast to coast telling the people of Canada that they were going to do this as soon as they were elected. They were going to do it at once. They said they had looked into it. They said it was the thing to do, to keep the basic pension and add a contributory scheme to it. The Minister of Finance had a great deal to say about it, but did they tell the people of Canada at that time, "we will do it if we can get a constitutional amendment"? No, they did not. They started talking about a constitutional amendment only in the last two or three months. On the eve of an election, confronted with the necessity of doing something on paper at least, they put a couple of sentences into the speech from the throne saying "we will do this for the people of Canada if we can get a constitutional amendment."

I tell the Prime Minister that at any time during the last four years, on the basis of the investigations they themselves undertook, they could have drafted the legislation required for this change. They could have gone to the provinces, as they are doing now. They could have taken the matter up with them. They could have found out what could be done by the federal government and what could be done only by way of a constitutional amendment. Did they do any of these things? Not at all. They waited until 1962 and used the constitutional device to get off the hook, to get out of that dilemma which the Prime Minister is always talking about.

Mr. Churchill: This bothers you a bit.

Mr. Pearson: Then, having put forward the proposal in the speech from the throne, they have only now got around to discussing the technical difficulties. This afternoon the Prime Minister had the effrontery to put forward as the excuse for this delay the desire of the government to bring about the amendment of the constitution inside Canada. He said if that had been accomplished they could have a constitutional amendment without going to the United Kingdom, and that was the only reason the contributory scheme had not been brought into effect. Of all the ridiculous, nonsensical excuses for inaction that is the greatest.

Of course, Mr. Chairman, in respect of the proposal for a procedure to amend the constitution in Canada, we all know the progress which Mr. St. Laurent made in that direction when he was prime minister. The present proposal moreover was not initiated by the present Prime Minister and his colleagues. It was initiated by the premier of Quebec, once the people of Quebec had enough sense to change their government, and, having been initiated at a provincial conference by the new premier of Quebec, my hon. friends opposite took up the challenge and decided what they would do in that direction.

The real reason why we have not a contributory pension scheme before parliament is not the desire of the government to amend the constitution in Canada. That is only an excuse for inaction.

This afternoon the Prime Minister made great play about the virtue of Tory deficits during the last four or five years and he contrasted, to the disadvantage of the previous government, those glorious deficits with the surplus of the Liberal administration. Well, what would not the people of this country give in these days to have those surpluses, to have that Liberal administration?

Mr. Starr: And the promise of $6.

Mr. Jones: What would the old age pensioner have?

Mr. Pallett: Answer that question.

Mr. Pearson: The Minister of Finance is so anxious to have a surplus to get out of these deficits which have now been discovered to be glorious that it was only a couple of years ago that he budgeted for a surplus. He budgeted for a surplus of $38 million and, with his normal method of miscalculation, the $38 million surplus became a $350 million deficit. But these deficits are fine things to have, says the Prime Minister; they are wonderful things to have. We have had $3 billion of them in five years, so he is an authority on them. Then he tells us that the reason for these deficits is that they are doing so much in the field of social security.

Mr. Benidickson: And the Minister of Finance did not know anything about it.

Mr. Pearson: We will look into that question—

Mr. Drysdale: When?

Mr. Pearson: We will look into it—

Mr. Drysdale: Not today.

Mr. Pearson: —right now. Now, Mr. Chairman—

[Mr. Pearson.]

Mr. Drysdale: You are supposed to have the answers.

Mr. Pearson: —I want to point out the contrast between the approach to social security development and the building up of a social security structure under Liberal administration—the approach of earlier years—and that followed by the present government since 1957.

Mr. Drysdale: The six bucks approach.

Mr. Pearson: I want to deal with this contrast. Over the years, stage by stage there was gradually built up in Canada a structure of social security, which was not perfect—nothing is perfect—but which got better each year. This can be done, and it was done, without any excessive burden on the economy. The hon. member for Greenwood will appreciate this; it was done without straining our financial or economic structure in any way. Why? Because it was done in the only way these things should be done, out of an expanding economy and an increasing national production.

Compare that with the experience we have had in the last five years. Compare it, if you like, with the situation which confronts us now as we deal with these measures of increased social security payments—to be made out of what; out of a $758 million, $800 million or $900 million deficit this year, the fifth or sixth in a row.

An hon. Member: What would you have cut out?

Mr. Pigeon: Six dollars only to increase the old age pension; that is ridiculous.

Mr. Drysdale: What would you have cut out? We have not heard an answer yet.

Mr. Pearson: The Prime Minister, of course, asked the rhetorical question and it is being repeated by my hon. friend on the left who finds it very difficult to keep silent during these discussions. The question was, what would we have cut out in order to have eliminated—

Mr. Drysdale: Yes, that is the question.

Mr. Pearson: —these deficits. The deficits would have been eliminated if we had continued the expansion of previous years, and we would not have had to cut anything out.

Mr. Drysdale: Like the six bucks in 1957.

Mr. Monteith (Perth): Ten dollars in 20 years.

Mr. Pearson: If the average increase in production in this country from 1946 to 1957 had been continued from 1957 to 1962—

Mr. Monteith (Perth): "If."

Mr. Pearson: "If"; yes, that is a good question. It was not continued under a Tory government.

An hon. Member: It was down the drain before that.

Mr. Pearson: If that production had been extended, the increased production in this country during those years would have amounted to $15 billion.

An hon. Member: Wasted years.

Mr. Pearson: And the revenue during those wasted years, the revenue from those $15 billion, without any alteration in the level of taxation at all, would have made it possible to meet these extra expenses without a deficit of any kind. That is the answer to the Prime Minister's question. It is not an answer they like to hear. Our national production in this country used to increase in the years before 1957, going back to the end of world war II, at an average rate of 4.6 per cent a year. Under the present government—and here is the answer to the question, why have we got a deficit—

Mr. Walker: The hidden report.

Mr. Pearson: Here is the answer to the question. Under the present government the increase has been, on the average, 1½ per cent a year; only one third what it was before 1957. The increase in production during those wasted years has not been enough to increase our real wealth as individuals. It has been smaller than the increase in population, even though this government has managed to keep population, so far as immigration is concerned, down to a minimum.

How can we avoid unemployment in that kind of stagnant situation? How can we avoid mismanagement of the nation's business, and large deficits? The Prime Minister says, "What would you cut out?" It is not what you would cut out, but what you would get going that matters and—

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

Mr. Pickersgill: Sit down.

Mr. Pearson: I will do what the Prime Minister refuses to do; I will be glad to be asked a question.

Mr. Benidickson: He has refused for months.

Mr. Starr: Would the Leader of the Opposition explain what caused that situation in the economy of the United States?

Mr. Pickersgill: Oh, blame the Americans.

Mr. Starr: I am asking a question.

Mr. Pearson: It is the tendency on the other side of the chamber, an ineradicable tendency, if anything goes wrong to blame it on the Americans and to compare the situation here with the United States.

An hon. Member: Answer the question.

Mr. Pearson: The Minister of Labour, when he intervenes in this debate, can answer his own question by explaining to me why it is that the United States administration is budgeting for a balanced budget this year. If the United States administration can balance its budget, why do we have to have a $750 million deficit in this country—

Mr. Benidickson: And that is the minimum.

Mr. Pearson: —especially, and I commend these words to my hon. friend, as the United States is spending a great deal more on defence than we are, as much on social security as we are and, according to my hon. friends—although they are not correct—there is more unemployment in the United States than there is in Canada.

Mr. Jones: The rate of growth is much lower than in Canada.

Mr. Pearson: That is not correct, but that is the argument they use. My hon. friend the Minister of Labour will no doubt explain to the committee how, with all these factors at work in the United States, these high defence expenditures, these enormous social security expenditures, this high level of unemployment that they talk about, the United States does not have these enormous deficits we have had in this country.

Mr. Benidickson: The Minister of Labour wants to lean on Washington.

Mr. Starr: If the Leader of the Opposition would answer my question, I would be glad to answer his.

Mr. Pearson: I think I have answered my hon. friend's question more satisfactorily than he will be able to answer mine.

Mr. Starr: Oh, oh.

Mr. Pearson: If we could have kept the economy going, and we will get it going again after the next election—

Mr. Pigeon: You will not be here after the next election.

Mr. Benidickson: It will be soon, we hope.

Mr. Pearson: —we would not have had deficit after deficit in these wasted years.

Mr. Jones: You did not give any more to the provinces or raise the old age pension.

Mr. Pearson: My hon. friends make a great virtue of all they have given to the provinces. We will put some figures on the record this evening to correct that situation as explained by the Prime Minister. My hon. friends talk about all the money they have given to the provinces and how wonderful it has been for the provinces. If this is true, why is every province in this country dissatisfied with the fiscal relations they are having at the present time with the federal government? What is wrong with it, then?

Mr. Benidickson: Including Ontario.

Mr. Pickersgill: Especially Ontario.

Mr. Pearson: The province which is perhaps most dissatisfied is the province of Ontario, which was going to get $100 million from this administration by following John. They followed John all right, and they followed him right into the sales tax.

Mr. Jones: What about Quebec?

Mr. Chevrier: Look at the results of the by-elections.

Mr. Pearson: The Prime Minister, however, ignoring the decline in our economy over recent years, has asked, what we would have cut out of these expenses in order to help reduce the deficits. Well, there are certain things which could have been cut out; there are certain economies which could have been made. How many millions and millions of dollars have been added to our expenditure in this country by that ill-fated conversion loan? There is one way in which millions of dollars could have been saved. Another way was by getting interest rates down so that we would not be faced with these swollen interest payments on our national debt. Another way would be in not devoting hundreds of millions in the past four or five years to useless defense expenditure. So we could have done both; we could have kept the economy going at a better pace than it has in the last five years, thus adding to our production and to our income. At the same time we could have cut down useless expenditure arising out of things like the conversion loan.

The Prime Minister had a good deal to say about shared programs, even though it is diffcult to see how he could relate shared programs to disability allowances and disability pensions.

Mr. Diefenbaker: Do the provinces not contribute?

Mr. Pearson: However, the right hon. gentleman brought the question up and, therefore, I propose to deal with it, especially as he has challenged me to answer certain questions. I am delighted to have the opportunity of doing so.

An hon. Member: When?

Mr. Pearson: Right away. I have unlimited time and I propose to take it even though it may postpone the date of the election by a few hours. That, Mr. Chairman, is a risk I shall have to take. But before we get into this matter of shared programs, it occurs to me that the Prime Minister had something to say about the level that should be reached in connection with a pension and allowances scheme. He talked about our niggardly contributions in the past. He does that every time he talks about social security. He cannot get away from the fact—

An hon. Member: Nor can you.

Mr. Pearson: I want to give the Prime Minister a little friendly advice, because he is going to need a lot of it in the weeks ahead. I advise the Prime Minister, as befits the head of the government of a great country, to look ahead, to look to the future and to put forward proposals which would help this country meet some of the problems which are facing us—to give the people of this country the feeling that at least he understands what these problems are. It is amusing, it is entertaining, it adds to the gaiety of the House of Commons when the Prime Minister makes the kind of speech he made this afternoon, but it does not do anything toward the solution of the problems which face us. Perhaps when he speaks again the right hon. gentleman will tell us something about those problems and what this government is going to do about them instead of worrying so much about the elections of 1957 and 1958. The people are more concerned about the election of 162 and they are more concerned with the policy that the government is going to put forward to meet the problems facing this country in 1962. The right hon. gentleman will have us back in 1953 with the "horses on the payroll" before he goes much further. He nearly got there today.

Mr. Diefenbaker: A guilty conscience?

Mr. Pearson: We do not need to worry about having a guilty conscience over the election of 1953. I propose to say something in considerable detail about programs shared with the provinces. I did not know that this subject was coming up, but then one never knows what is going to be brought into a debate when the Prime Minister gets on his feet; you have to be prepared for everything from the shipment of base metals to Cuba to programs shared with the provinces.

The Prime Minister took it upon himself to explain what the policy of this party was as enunciated in our rally on the question of shared programs, so I had better put on the record what took place so that there will be an accurate statement available to the committee showing what the policy is.

Mr. Diefenbaker: Which one is this?

Mr. Pearson: I put on the record the policy statement of the national Liberal rally held in January, 1961 in relation to this particular problem. It comes under the resolution dealing with federal-provincial relations. Here is what was said. Incidentally, the difference between the resolutions passed by our convention and the resolutions of the meetings held by the party to which hon. members opposite belong is that they do not come up with any resolutions; they burn them after the convention is over. Having looked at some of those resolutions before they were burned I can understand the desire to shovel them into the fire. We keep our resolutions and we make them public because that is the way Liberalism operates. Here is the resolution on this particular subject:

> The Liberal party believes in regular consultation with the provinces in order to ensure that priorities in the use of taxes are kept constantly in line with changing conditions and in order to ensure that the provincial governments have adequate revenues to provide their citizens an adequate standard of services and to perform their constitutional obligations. For example, several programs, like disability pensions, which had to be started on a shared-cost basis by federal and provincial governments are now established throughout Canada.

This was in January, 1961, not in Quebec a few months ago, and this was at a council of the Liberal party where all the provinces were represented and every provincial representative had a chance to speak. The resolution goes on:

> In these cases a new Liberal government will be happy to leave the field entirely to the provinces, and to evolve appropriate readjustments in its taxes, so as to provide for full provincial financing. An important new area for co-operation is in the borrowing operations of municipal, provincial and federal authorities. Co-ordination could reduce the costs of borrowing to municipalities and provinces. In this and all other matters the Liberal party looks on the federal, provincial and municipal governments not as warring competitors but as effective partners in a democratic federal system.

The Deputy Chairman: It being five o'clock it is my duty to leave the chair in order that the house may proceed to the consideration of private members' business pursuant to section 3 of standing order 15.

Progress reported.

Mr. Speaker: Order. It being five o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely, private bills—of which there are none—then notices of motion for papers, followed by public bills. The house will begin with notices of motion for papers.

MOTIONS FOR PAPERS

PROPOSALS FOR EXTENDING TERRITORIAL WATERS

Mr. Frank Howard (Skeena) moved:

> That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams, and other documents exchanged between the government or any agency, department, or branch thereof, and any other government since April 1, 1960, relating to the breadth of the territorial sea and proposals for the widening thereof.

He said: It seems a shame to interrupt a lively discussion on a domestic matter in order to turn to the more rarefied international one which is primarily the subject of the present motion—a motion which falls largely within the responsibility of the Secretary of State for External Affairs.

The motion seeks a copy of all correspondence, telegrams, and other documents exchanged between the government or any agency thereof and any other government since April 1, as was read out from the chair, with regard to this matter. I think everyone in the house will agree, especially those who have association with the fisheries industry, that this subject is one of vital importance to the industry itself, to the country and to the future of our fisheries.

What makes it a little bit difficult to debate the matter fully is the fact that I think it is somewhat narrow. We cannot get into the subject matter of that which is stated in the correspondence. About all we have on which to base our discussion is those few statements made by the Secretary of State for External Affairs (Mr. Green) which are contained in *Hansard* and which relate to this particular set of documents, if such a set exists. Yesterday the minister, reading from a formal prepared text, I gather objected to the tabling of these documents or the acceptance of the motion. I might read his remarks. They are to be found at page 631 of *Hansard* and are as follows:

> There is very good reason why we cannot comply with this request. It is important that nothing be said or done which might prejudice the significance of the 1960 vote at Geneva on the joint Canada-United States "six plus six" formula. Reference to any action undertaken or still in progress could do just that. Consideration of this matter has been and is being actively pursued by Canada and other like minded countries.

Similar comments were made by the minister at other times. I do not need to read them but shall merely make passing reference to them. They are contained in *Hansard* of January 29 of this year and July 11, 1961, during the last session, when the minister said substantially the same sort of thing. He said that the matter was being considered and actively pursued but that it would not be wise, beneficial or proper to disclose what those negotiations were all about.

I can accept the suggestion that such might be the case in this or any other matter. I can understand that it might not be considered to be judicious at one particular moment to disclose the contents of the discussions or the negotiations which are taking place between Canada and other countries. But nowhere in any of the statements of the Secretary of State for External Affairs is there any indication that any negotiations are taking place. Nowhere does he say that negotiations are taking place. Nowhere does he use the word "negotiations". He refers merely to developments, to consideration of the matter and to the pursuing of it by Canada, thus leaving the impression that negotiations are and have been taking place; but nowhere does he actually say so.

I submit that what has happened here is that no negotiations have been taking place, that no discussions between Canada and other countries have been taking place specifically at the initiation of this government, and that the real reason why the minister says he cannot disclose this information is hidden in the fact that he makes no comment whatsoever about negotiations and about whether or not they are taking place. I submit that the real reason is that there are no documents to be tabled or to be filed and that this is just another indication of the super secrecy in which the government operates when in effect it has been caught with its pants down on a vitally important issue such as this one. I submit that if we are given an indication that negotiations are taking place, if this commitment can be made,—

Mr. Speaker: Order. Before the hon. member proceeds further with that line of argument I think I should say to him that my view of the scope of the motion is that it is limited to the desirability of the production of the documents. The motion is one calling on the government to produce the documents referred to in the motion. The question in issue is whether or not they should be produced. Production of them has been objected to. It would be relevant to debate whether or not the grounds of objection were sufficient but in my view it would not be relevant to debate what the government should be doing about the breadth of international waters. That is another issue. The hon. member recognizes that the matter before the house is a narrow one. I hope we shall not turn this discussion into a debate as to what should be the course of the government in these international negotiations but rather that we can keep it confined to the question of whether the documents exist, if you will, or whether they should be produced.

Mr. Howard: Without hesitation I accept Your Honour's suggestion. I am sure you will appreciate the fact that as this is the first debate of this type as a result of the provisional rules, it is perhaps fairly easy to wander a bit afield from the normal practice. I say that it is vitally important that the house and the country know what the government is doing. That is why these documents including telegrams, letters and so on, if there are any in existence, should be tabled, namely in order that parliament at least and the country as a whole will have knowledge of what is taking place and so that this matter may not be shrouded, as I indicated earlier, in that extreme degree of super secrecy that surrounds so many matters in which the government is or is not engaging.

Hon. Gordon Churchill (Minister of Veterans Affairs): You have already, Mr. Speaker, dealt with one point that I had intended to raise, namely the irrelevancy of the hon. member for Skeena in dealing with the question of whether or not negotiations are taking place. His sole request here is for the production of papers. The rules provide for this type of request or motion in order that people engaged in public affairs may have, when it is possible for them to do so, the documents which relate to those public affairs. However, in this particular instance I would draw your attention to what is being asked for. The motion, which I shall not read, is asking for a copy of all correspondence, telegrams, and other documents exchanged between the government or any agency, department, or branch thereof, and any other government since April 1, 1960, relating to the particular topic under discussion. May I indicate to you, Mr. Speaker, what was said by the Secretary of State for External Affairs (Mr. Green), in the answer he gave on February 7, 1962, with regard to this proposal. As found at page 631 of *Hansard* he stated as follows:

> There is very good reason why we cannot comply with this request. It is important that nothing be said or done which might prejudice the significance

of the 1960 vote at Geneva on the joint Canada-United States "six plus six" formula. Reference to any action undertaken or still in progress could do just that.

He might have gone on to indicate what is the custom of parliament over the years with regard to the disclosing of correspondence and documents exchanged between governments. There is plenty of evidence to show that over the years it has been the custom for governments, when asked to produce that type of material, to decline to do so and certainly, if prepared to produce the material, to do so only after having received permission to that effect from the governments concerned. In this particular instance we are involved, I would imagine, with a number of governments which are interested in the problem of territorial waters or the law of the sea. To put the matter briefly, what we are dealing with is diplomatic correspondence.

On May 27, 1931, the prime minister of that day, Mr. R. B. Bennett, in discussing a motion for the production of papers similar to this one, stated, as found on page 2020 of *Hansard*:

As the right hon. gentleman knows, cable communications that pass between different governments are marked "confidential", and, for reasons that are good and sufficient, they cannot be brought down in this house without the consent of the other government. Whether marked "confidential" or not, the consent of the other government should first be obtained before bringing them down. Broadly, the question is one of maintenance of good faith between people who carry on a correspondence.

Then, in 1939 the prime minister of that day, Mr. Mackenzie King, was dealing with a motion for the production of papers and he indicated the difficulties with regard to putting them before the house. Again it is a question of producing diplomatic exchanges which are of a confidential nature.

Mr. Speaker: Did the minister give the page?

Mr. Churchill: I am just trying to locate the page in this particular volume of *Hansard*.

Mr. Pickersgill: Was it a brief speech?

Mr. Churchill: I had it marked and I have lost the page reference but the date is January 17, 1939 and I believe it is somewhere on page 67 or 68.

Mr. Pickersgill: Could the hon. gentleman say what the motion related to in that case?

Mr. Churchill: Yes. In this instance it was with regard to the situation in Europe and the government was being asked that correspondence concerning that situation be made public. There had been a dispute in the house whether or not sufficient information had been made available. At the moment I cannot find the reference.

I was drawing the attention of the house to what is the customary practice with regard to matters of this nature. It has not been normal to press to a vote a motion of this kind which has never been conceded, so far as I can ascertain, in the course of parliamentary practice. I would refer the house to Todd's Parliamentary Government in England, volume I, page 357 and following, for a discussion of one aspect of this question of confidential communications. Todd lists several types which normally are not made available to the house.

I will revert now to what Mr. Mackenzie King said on January 17, 1939, concerning a request for the publishing of correspondence relating to a crisis in Europe which occurred in September of 1938. Mr. Mackenzie King stated, as found at the bottom of page 68 and the top of page 69:

As my hon. friend knows, correspondence between governments, particularly where it relates to the possibility of war, is necessarily highly confidential. To make it public would require the consent of the governments concerned.

I think I will put the whole passage on record because it is of some interest.

I shall be glad to communicate at once with the British government to ascertain to what extent, if at all, they think the correspondence which passed between the secretary of state for dominion affairs and the Secretary of State for External Affairs in Canada should be made public, and I shall be glad to inform my hon. friend and the house of the result of the communication.

May I add that I am sure my hon. friend and the house will realize at once that the correspondence referred to contains many references to other countries as well as to Great Britain and Canada; and I believe it is the practice where other countries are referred to in confidential correspondence not to have any such correspondence produced. I make that statement at once so that the house will understand the limitations on the government.

I suggest that is as strong a reference as can be found in the practice which I have stated, namely, that correspondence passing between governments is not normally made public. Certainly in this instance, where a number of countries are concerned, I doubt very much that the hon. member's request could be acceded to. He is asking for any documents or correspondence exchanged among several governments since April 1, 1960, which is almost a year, and even if the government made an attempt to obtain consent the length of time that would elapse in getting the necessary information, provided the governments concerned acceded to the request, might well be much too long for our purposes here.

The hon. member for Skeena (Mr. Howard) has introduced this motion in good faith and provision is made for such a procedure in

accordance with the change in the rules this year; but now that he has had an opportunity to give consideration to what is the normal practice of the House of Commons and the custom and usage of parliament I suggest to him that rather than press the matter to a vote he accept the explanation I have given as to our inability to provide him with the material that he wishes to be laid before the house and withdraw his motion.

Mr. Pickersgill: Could I ask the minister a question before he takes his seat? Could he give the house an assurance that negotiations are actively going on at the present time? I think all of us are impressed by what the minister has just said but if we had an assurance that negotiations were actively going on at the present time I am sure it would colour the views of many hon. members as to what they should do about this motion.

Mr. Churchill: I am in no position whatever to give an answer to that question. This matter is one which falls within the realm of interest of the Secretary of State for External Affairs (Mr. Green)—

Mr. Pickersgill: Who should be here.

Mr. Churchill: —and in his absence I regret that I cannot answer the question.

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, the subject matter of this motion is of very great interest to all of us on this side of the house and of special interest to my province because the survival of our inshore fishery depends upon some action being taken to extend our territorial waters. Your Honour has pointed out that the debate on this motion should be confined to the desirability of having these documents tabled.

It seems to me that desirability hinges on whether or not negotiations are in progress. When the Secretary of State for External Affairs (Mr. Green) spoke to this motion on February 7, as recorded at the bottom of page 631 and the top of 632 of *Hansard,* he gave two reasons. One reason was we should not do anything to prejudice the significance of the 1960 vote at Geneva. Well, the 1960 vote at Geneva has no significance at all if it does not result in action. It can only have significance if further negotiations were proceeding. In his latter remarks, the minister seemed to imply that negotiations might be in progress. I am very sorry that the acting minister this afternoon was not able to give us a positive assurance that this is actually the case.

We can understand that nothing should be done to embarrass negotiations. However, we feel that there is scope for the government to continue negotiations, particularly with those countries who in 1960 supported Canada's proposal.

Mr. Speaker: I think I should caution the hon. member again that the motion is not to the effect the government should carry on negotiations. It is not really relevant to discuss the issue of whether or not the government is carrying on negotiations or should be carrying on negotiations. The question is whether or not the government should accede to the request that these documents be made available by tabling them. The issue to be met is the objection of the government that it is not in the public interest or in accordance with the practice in international negotiations to produce documents and communications exchanged between governments. I know the hon. member's interest in the broader subject, but it really is not in issue.

Mr. Carter: If Your Honour had borne with me for another ten seconds, I would have made it quite clear that I did not intend to pursue that line of debate, but merely to urge upon the minister the fact that there is the necessity of taking the house into his confidence as to whether or not negotiations are proceeding. Certainly, that cannot prejudice the situation. This is a matter of vital urgency to practically all my constituents and the people on both coasts of Canada.

I should like to commend the minister for the suggestion that he made with regard to this motion. My leader has authorized me to say that we would not wish to press for the tabling of the documents or for any action that might prejudice negotiations that might be in progress or might be in the process of getting started.

Mr. Speaker: I must inform the house that if the hon. member speaks now, he will close the debate.

Mr. Frank Howard (Skeena): I listened very attentively to the Minister of Veterans Affairs (Mr. Churchill) when he spoke about past practices and the like. From all of it I could only come to one conclusion, namely that the correspondence that Canada carries on with other countries is not too much different from the correspondence that Canada carries on with the various provinces, except that we normally do not go to war with the other provinces in Canada. Perhaps national situations are sometimes more tense than relationships between the federal government and the various provinces. All I got out of the minister's reference to R. B. Bennett, and I can understand his affection there, and his reference to Mackenzie King, and I can understand him there also, is that it would have

been a very simple matter if the government wanted to disclose this correspondence, to use those words which the government uses so often in respect of correspondence between the federal authority and the various provinces, that they will table the documents subject to receiving approval from the government in question.

This is what happens when the federal government deals with the Columbia river project in British Columbia or with any other province. Subject to the approval of that government, the federal government tables the documents. I am sure this could have been done with respect to other nations.

Another point is that we requested information as to whether or not any negotiations were taking place. All we have received has been silence in that regard and the inability of the minister to make any commitment. This is understandable and appreciated. However, the Secretary of State for External Affairs (Mr. Green) has shown an unwillingness even to indicate that negotiations are taking place. In the light of this, I think we have no other recourse but to vote on this particular resolution.

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

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

Division

YEAS

Messrs:

Fisher
Herridge
Howard
Peters
Winch—5.

NAYS

Messrs:

Aiken
Aitken, Miss
Allard
Badanai
Balcer
Baldwin
Barrington
Baskin
Batten
Beech
Bell (Carleton)
Belzile
Benidickson
Boivin
Bourbonnais
Bourque
Broome
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Bruchesi
Brunsden
Campbell (Lambton-Kent)
Campbell (Stormont)
Cardiff
Cardin
Carter
Casselman, Mrs.
Cathers
Chambers
Charlton
Chatterton
Churchill
Clancy
Coates
Cooper
Creaghan
Crouse
Danforth
Denis
Deschatelets
Diefenbaker
Dinsdale
Dorion
Doucett
Drouin
Drysdale
Dumas
Dupuis
English
Eudes
Fairclough, Mrs.
Fairfield
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Flemming (Royal)
Flynn
Forbes
Forgie
Fournier
Garland
Granger
Grenier
Grills
Habel
Hales
Halpenny
Hamilton (Notre Dame de Grace)
Hamilton (York West)
Hanbidge
Harkness
Hellyer
Henderson
Hicks
Hodgson
Horner (Acadia)
Horner (Jasper-Edson)
Horner (The Battlefords)
Howe
Johnson
Jones
Jung
Keays
Kennedy
Kindt
Korchinski
Lahaye
LaMarsh, Miss
Lambert
Legere
Macdonald, Mrs.
Macdonnell
MacEwan
MacInnis
MacLean (Queens)
MacLean (Winnipeg North Centre)
MacLellan
Macnaughton
Macquarrie
MacRae
McBain
McCleave
McDonald (Hamilton South)
McFarlane
McGee
McGrath
McGregor
McLennan
McMillan
McPhillips
Mandziuk
Matheson
Matthews
Meunier
Michaud
Milligan
Monteith (Perth)
Montgomery
More
Morissette
Morris
Morton
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Murphy
Nowlan
Nugent
O'Leary
Ormiston
Pallett
Pascoe
Payne
Pickersgill
Pigeon
Pratt
Rapp
Regnier
Ricard
Robichaud
Robinson
Rogers
Rompre
Rowe
Rynard
Skoreyko
Slogan
Small
Smith (Calgary South)
Smith (Lincoln)
Smith (Simcoe North)
Southam
Starr
Stefanson
Tardif
Taylor
Thomas
Tucker
Valade
Villeneuve
Vivian
Walker
Webb
Weichel
White
Woolliams
Wratten—166.

INDUSTRIAL RELATIONS

APPLICATION OF COLLECTIVE BARGAINING TO CROWN AND EMPLOYEES

On the order:

Second reading of Bill No. C-11, to amend the Industrial Relations and Disputes Investigation Act (application to civil service)—Mr. Howard.

Some hon. Members: Stand.

Mr. Churchill: Mr. Speaker, I do not suggest that we stand order 5. I think we should go ahead with this one.

Mr. Speaker: If the hon. member wishes to proceed, he is free to do so.

Mr. Howard: Not that I object, Mr. Speaker, but it is obvious that there is discrimination taking place here.

Mr. Pickersgill: The hon. member was responsible for it by his previous motion.

Mr. Howard: I am not in the least responsible for it. The Minister of Veterans Affairs (Mr. Churchill) is responsible for it by picking and choosing and playing favourites with his own members.

Mr. Frank Howard (Skeena) moved the second reading of Bill No. C-11, to amend the Industrial Relations and Disputes Investigation Act (application to civil service).

He said: Mr. Speaker, the purpose of the bill is to provide bargaining rights for civil servants. In effect, it will make the Industrial Relations and Disputes Investigation Act applicable to them with one or two exceptions, notably the right to engage in a strike. The other exception is that the report of the conciliation board will be tabled in parliament allowing sufficient length of time to enable the recommendations of the conciliation board to be taken into account by the Minister of Finance (Mr. Fleming) in the preparation of his budget. Although the Minister of Veterans Affairs (Mr. Churchill) has indicated his support for this bill perhaps the application of it will have no effect this session, whether or not we have a budget.

That is the gist of it. I hope the government will accept this measure. It would, to a large degree, expedite decent consideration being given to civil servants and discontinue the practice of treating them as second class citizens which, I said, they are not. So long as this or any other government says to a group of people working under it: You have not the same rights as anyone else, that is treating them as second class citizens. Perhaps the Prime Minister, with his well known affection for the government of Saskatchewan, which he tended to decry this afternoon, would look to that government for some guidance in matters such as this, because in that province they do treat their employees with some decency.

Mr. John Pallett (Parliamentary Secretary to the Prime Minister): According to the hon. member for Skeena (Mr. Howard)—he was the one who described civil servants as second class citizens; the expression was his; it was not used by anyone on this side of the house—

Mr. Howard: On a point of order; that is another distortion and a misinterpretation of my remarks.

[Mr. Churchill.]

Mr. Pallett: The record will speak for itself. I presume it will remain unchanged. We shall see how it reads when it is printed tomorrow.

The bill which has been introduced is one in which I have some interest because under the former administration I proposed at various times that certain bargaining rights might be extended to employees in certain crown corporations, particularly in the Canadian Small Arms Corporation one of whose plants happens to be in my riding. As a result of those representations, after the administration changed this right was extended to those employees. It was generally well received by them, although some people might have considered that the idea of collective bargaining could not normally be entertained as applied to an undertaking such as this. Nevertheless, it was granted to these employees and as recently as last fall when I was able to go through that plant I found that the workmanship was of the same high calibre as before and that the morale of the employees was of the same high quality as before. As a matter of fact I would say that morale had improved. Thus, the favour which was granted seems to have worked out to the general benefit both of the people who work there and of the plant as a whole. I do not use the word "favour" in its normal sense of something being given. I use it, rather, in the sense of granting something to which the workers would be said to be entitled.

Bill No. C-11 introduced for second reading by the hon. member for Skeena follows a thorough review last year of the recommendations as to the legislation respecting civil servants in this country made by a committee of the house. Extensive representations were made before that committee, there was thorough discussion and, eventually, legislation was dealt with by the house. It seems to me we ought to consider very carefully before we add hodgepodge amendments to that legislation instead of following the normal course with regard to amendments which are introduced to measures of this nature.

A bill such as is now brought forward would affect a large group of people, people who are not second class citizens, as described by the hon. member for Skeena, but first class citizens doing commendable service for their country. That is how I, at least, consider them and that is how I believe most people in this country consider them. My experience has been that one finds a dedication to the public service at all levels of the civil service, and I am sure that has been the experience of most hon. members.

What does this bill pretend to do? It represents, really, an attempt to do indirectly something which was done directly last year

at the time the Civil Service Act was revised. It seeks to amend the Industrial Relations and Disputes Investigation Act and, thereby, to deal helter-skelter with this whole question. I think that term is more applicable than the one I used before.

Mr. Howard: Six o'clock.

Mr. Pallett: It seeks to amend Section 38 of the Industrial Relations and Disputes Investigation Act so that the crown would be placed in the same position as any private employer in the country. Over the years we have tended to regard the crown as a more benevolent employer than most—one which sought in its dealings with its employees to consider many factors which are not usually considered by those in the private field. Indeed, the government has been described by many, as a model employer.

I see it is six o'clock.

Mr. Speaker: If the house will permit me, I shall not leave the chair for a moment.

The hour for the consideration of private members' business having expired, the house will revert to the business which was interrupted at five o'clock.

DISABLED PERSONS ACT

AMENDMENTS TO INCREASE PAYMENTS AND ALLOWABLE INCOME

The house resumed consideration in committee on the following resolution—Mr. Monteith (Perth)—Mr. Martineau in the chair.

That it is expedient to introduce a measure to amend the Disabled Persons Act to increase to sixty five dollars per month the maximum amount of allowance in respect of which payments may be made to the provinces under the provisions of that act, and to increase the total amount of allowable income, inclusive of allowance, by one hundred and eighty dollars a year in the case of an unmarried person and three hundred and sixty dollars a year in the case of a married person.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Pearson: This afternoon, Mr. Chairman, at five o'clock I had begun to deal with the question of shared programs which was raised at some length by the Prime Minister in his contribution to the debate this afternoon. During his speech he said that he would give me an opportunity, of which I wish to take advantage, of saying whether our shared program policy as a party is that which was enunciated in the resolution at the Liberal rally of January, 1961, or as stated by me in a speech in Quebec a few months ago.

As I recall his words, the Prime Minister said that conditional grants, according to the Leader of the Opposition—he was referring to me—are to be taken from the provinces, that such was our policy, that shared programs are no longer to exist and that they are, in the words of the Prime Minister, to be allowed to phase out. He asked what would happen to the individual in the provinces in which those programs were to be allowed to phase out if our alleged policy was put into effect. Then he concluded that part of his remarks by asking or begging me to reply and say whether I was opposed to shared programs.

Mr. Monteith (Perth): He asked you if you wanted to reduce them.

Mr. Pearson: I hope to answer that question and to do so in some detail in order to make the record clear so that it will not be possible for the Prime Minister or other members of the government to misrepresent or distort that record. I will say at once that this party is not against shared programs. It is not against co-operation with the provinces in such shared programs. If and when it feels it desirable to withdraw federal financial participation in such shared programs, that is something that would be done with the consent and the approval of the government concerned; and if it were done by agreement of that kind, full compensation would be made to the province in question so that the program could be carried on by the province.

Mr. Bell (Carleton): What does that mean?

Mr. Pearson: I therefore ask the minister or any member of the government whether he objects to that shared program policy.

Mr. Bell (Carleton): Nobody can understand what the Leader of the Opposition is saying.

Mr. Pearson: It would be quite impossible to explain it to the satisfaction of my hon. friend. I am aware of that fact. In order to make the record clear I am going to repeat what I said on this matter first in Winnipeg, then in Quebec and then in Guelph, Ontario, in order to remove this stupid and baseless charge made by the Minister of Justice, that I have said in one part of the country something which I am afraid to repeat in another part of the country. Let me say that I will now repeat the three speeches. Then we shall see how much there is to the charge made by the Minister of Justice.

Mr. Monteith (Perth): Right.

Mr. Pearson: I know the minister is obliged to intervene in this debate because, after all, he is in charge of the debate.

Here is what I said in Winnipeg. I had been talking about equalization and had been complaining about the equalization policy of this government which I thought to be unfair to the poorer provinces. I was making a plea for equalization on the level of the richest province in respect of the revenues in question. Then I went on to say this:

"Equalization" however, is not everything. There is much more to be done in co-operative arrangements between the provincial and national governments to foster Canada's progress and development. Some federal-provincial agreements to this end have in the past been delayed because some provinces did not regard the federal proposal as suitable for their particular needs. Such joint measures, however, should not, because of this, be held up unnecessarily in the provinces where they are desired and required.

I ask hon. gentlemen if they object to that statement. I continued:

I suggest therefore, that we have to look for ways of bringing more flexibility into some of our joint programs.

I ask hon. gentlemen if they object to that statement. I continued:

It may be that we should develop arrangements to permit contracting-out by a province that does not consider a federal scheme appropriate to its circumstances.

I ask hon. gentlemen if they object to that statement. I continued:

If a province did not want to take part, it might be compensated so that it would not be at a disadvantage financially, vis-à-vis the rest of the country. I would suggest, in this connection, that consultation and co-operation be the guiding principle in all federal-provincial arrangements which, by their very nature, demand periodic review.

I ask hon. gentlemen if they object to any part of that particular statement.

Mr. Pickersgill: Where did the hon. gentleman say that speech was made?

Mr. Pearson: I said that in Winnipeg before I spoke in Quebec. Then to explain what I meant—

Mr. Monteith (Perth): May I ask the Leader of the Opposition whether that is the exact text that was issued?

Mr. Pearson: This is from the exact text which was issued and which no doubt is in the possession of my hon. friend. If he wishes to read from it, he will be able to check for himself. I am not in the habit of issuing edited texts after I speak—

Mr. Pickersgill: Unlike the Prime Minister.

Mr. Pearson: —let alone three separate versions of what I have said.

Mr. Churchill: What about broken tapes?

Mr. Monteith (Perth): You issue what you should have said, not what you did say.

[Mr. Pearson.]

Mr. Pearson: Now, Mr. Chairman, this is what I said in Quebec:

This principle of equalization could become an important instrument in decentralization. As a matter of fact, we believe that the federal government should withdraw from the field of joint programs which are of a permanent character once these programs are well established across the country.

This, I thought, was a sensible statement of government policy with respect to joint programs of a permanent character once they are well established across the country, and it was understood and I made it clear in my speech in Guelph that this would only be done, of course, after consultation with and approval of the provincial government concerned. Then I went on to say in Quebec:

This proposal applies more particularly in the field of social security. In putting an end to its financial contribution to such programs the federal government should compensate the provinces by giving them more leeway in the field of direct taxation so that, with equalization added, their costs will not increase. Already several of these joint programs could thus be abandoned almost immediately.

If, of course, the province so desired.

As to others which are not as yet sufficiently established, they should be reviewed in this light every five years, when fiscal arrangements are negotiated.

Mr. Bell (Carleton): Which ones should be abandoned?

Mr. Pearson: Does my hon. friend object to that principle in respect of such programs?

Mr. Bell (Carleton): Will the hon. gentleman say which ones should be abandoned?

Mr. Pearson: I am stating a principle and I ask my hon. friend, if he objects to that principle, to get on his feet and say so.

Mr. Bell (Carleton): Would the hon. gentleman tell me which ones should now be abandoned?

Mr. Pearson: Then I went on to say—

Mr. Bell (Carleton): The hon. gentleman will not answer.

Mr. Pearson: —and I would commend these words to the Prime Minister if he were in his place—I said:

Such a system—

This is from the text and it is directly contrary to what the Prime Minister alleged I said.

—would not mean that the Liberal party would refrain from bringing forward new joint programs in the future. This means, however, that from now on joint programs which require a permanent and fairly regular expenditure would not last any more than five years before being turned over entirely to the provinces.

That means, of course, if a province so desired that to be done. Then I went on to say in Quebec:

As I said last week in Winnipeg, these programs must be allowed more flexibility. Their application must not be delayed indefinitely because of lack of agreement on the part of all the provinces. On the other hand, no one province not wishing to participate would lose financially because of agreements entered into by the other provinces. In such cases we would propose a special arrangement which would allow a province to stay out of federal programs without suffering financial discrimination.

I ask any member of the government to get up and say that he objects to that principle.

Mr. Bell (Carleton): I ask the hon. gentleman to name one particular program to which that principle would apply.

An hon. Member: Go back to school.

Mr. Pearson: I went on to say this—

Mr. Bell (Carleton): Is the hon. gentleman going to answer or not?

Mr. Pearson: The hon. gentleman is at least a junior member of a ministry which knows all about these programs. He is in the best position to decide what the answer should be to that particular question.

Some hon. Members: Oh, oh.

Mr. Pearson: I ask him a question and he insists on bringing forward these matters of detail. I ask him to get up on his feet and say that he objects to the application of this principle to joint programs. I defy him to do so. He knows he cannot do so.

Mr. Monteith (Perth): I wonder if I might ask the Leader of the Opposition a question. We happen to be discussing disability allowances at the moment and I wonder whether he would wish to abandon that program.

Mr. Pearson: We happen to be discussing disability allowances but we were not discussing disability allowances when the Prime Minister spoke this afternoon.

Mr. Monteith (Perth): Would you abandon it?

Mr. Pearson: In respect of disability allowances, if that were a joint program which had been in effect over the years and if a particular province came to the federal government and said, "We would like to take the responsibility for disability allowances in our province and administer this program", I ask the minister, would he refuse to allow that province to do so?

Mr. Monteith (Perth): Answer my question.

Mr. Pearson: I will answer it. Of course I will answer the minister's question. If a province came to a government of which I was the head and asked to take the responsibility for administering a disability allowance program I would say, "Of course, go ahead and do it and we will assure that you do not lose financially by it". So I ask the minister when he replies, and I have no doubt he will be replying, to tell me whether he objects to that position and what position he would take in those circumstances. Then I went on to say in Quebec:

These measures as a whole would serve to increase the flexibility of our federalism while at the same time assuring its stability and its dynamism. One result would be to achieve legislative and fiscal decentralization while avoiding any possibility of discrimination against any one province.

That is the principle in regard to these matters on which we stand. Lest it might be said that I would talk like that in Quebec and not in Ontario, this is what I had to say in Guelph a week later.

Mr. Monteith (Perth): You have been around quite a bit.

Mr. Pearson: I quote from the text of my statement there:

Liberal policy has been and is now that there should be genuine equalization.

I was talking not about the kind of equalization that the government is introducing but genuine equalization.

That is, the revenues from standard provincial rates of profits tax, income tax and succession duties should be brought up to the same level, per head of population, for all provinces. That is the only way we can have a common standard of provincial services for all Canadians. It is the only way we can have equality of opportunity for people across this country. It is the only fair way to operate our federal-provincial system.

I said this:

I'm proud, all Liberals are proud, to advocate this policy everywhere in Canada.

Mr. Pallett: Pride goeth before a fall.

Mr. Pearson: I continue:

I believe that Canadians in Ontario, just as much as Canadians in Nova Scotia or Saskatchewan, recognize it as a national policy, as the right policy for national unity, as good Canadianism.

There's another aspect to this policy. In addition to equalization payments, the inadequate revenues of some of the provinces are also offset by the federal government paying a substantial part of the cost of some joint programs undertaken by federal and provincial authorities.

In the case of disability allowances, about which we are talking tonight, the federal government, of course, pays 50 per cent of the cost and in the case of blindness allowances 75 per cent. I added this:

This is a necessary procedure in many cases. The Liberal party has no intention of abandoning it. On the contrary, we will go on using it to get necessary new projects going. But, if all the old projects also continue, if the procedure grows indefinitely, it can have some bad consequences.

It can take from the provinces responsibilities which the bigger ones at least, Ontario and Quebec, would sooner administer for themselves. And, if Ontario or Quebec does not want to take part, the effect may be that their people are paying federal taxes for a service they don't receive.

So it is Liberal policy, decided at our national rally last January, that the federal government will, after a period of time, consider withdrawing from joint programs of a permanent type, when the services concerned have become well established and the provinces wish to carry them on. We would reduce federal taxes by the amount thus saved, leaving more to the provinces.

Mr. Bell (Carleton): Are there any such now?

Mr. Pickersgill: Ask the provinces.

Mr. Pearson: If the minister, when he rises to wind up this particular debate, will tell me that he objects to that particular policy and the principles on which that policy is based, I would be very interested indeed to hear him say so. This afternoon, Mr. Chairman, the Prime Minister made some very interesting and very inaccurate statements.

Mr. Monteith (Perth): Not inaccurate.

Mr. Pearson: The Prime Minister this afternoon made some very inaccurate statements—

An hon. Member: Interesting, you say?

Mr. Pearson: —interesting, particularly in their inaccuracy. The Prime Minister claimed as I recall, and I do not think I am wrong in my recall, that under a Conservative government old age security payments—he made a great play of this—had increased by 60 per cent.

An hon. Member: Right.

Mr. Pearson: My hon. friend says "right". Let us see how right he was. He did not say when he made that statement that he had included the $6 pension increase granted by the former Liberal administration.

Mr. Monteith (Perth): On a question of privilege, Mr. Chairman, may I say the Prime Minister did mention this afternoon that the $6—

Mr. Pickersgill: There is no privilege.

Mr. Monteith (Perth): The Prime Minister mentioned the $6.

Mr. Pickersgill: There is no privilege, sit down.

Some hon. Members: Order; sit down.

The Chairman: The Leader of the Opposition.

Mr. Pearson: The Prime Minister also did not say—

Mr. Monteith (Perth): Yes, he did say.

[Mr. Pearson.]

Mr. Pearson: The minister is interjecting to say that he did say something before I say what he did not say.

Mr. Monteith (Perth): He did mention the $6.

Mr. Pearson: Loyalty could not go much farther than that. The Prime Minister did not say that there were 125,000 more pensioners in 1962 than in 1956. The truth is, Mr. Chairman, that the present government has increased old age pensions not by 60 per cent but by 30 per cent. They have also raised taxes to finance old age pensions by 33 per cent.

Mr. Carter: That is right; you cannot deny that.

Mr. Pearson: This opens up a story on that particular point.

Now, Mr. Chairman, the Prime Minister also said this afternoon, and I think I am quoting him correctly, that all of the changes that he had been speaking about had been made, and these extra benefits had been secured, with no increase in income taxes.

An hon. Member: Right.

Mr. Pearson: My hon. friend says "right". Well, we will go back to the figures of the Minister of Finance who should be an authority on these matters.

Mr. Pickersgill: He is the other side of the government.

Mr. Pearson: According to the estimate given by the Minister of Finance in his budget speech of 1959, which can be found on page 2425 of *Hansard*, the combined tax increases made in that one year by the present government were, on an annual basis, $129 million for personal income taxes and $84 million for corporation income taxes.

Mr. Bell (Carleton): What about the earlier reductions?

Mr. Pearson: The total increase in income taxation for that one year alone was $213 million.

Mr. Bell (Carleton): What about the earlier reductions?

Mr. Benidickson: Hear, hear; new government.

Mr. Pearson: Yet the Prime Minister and his friends opposite have the effrontery to get up in this house and say that these benefits were given without any increase in taxation.

Mr. Bell (Carleton): Would the hon. gentleman permit a question?

Mr. Pearson: Why of course; we always permit questions.

Mr. Bell (Carleton): Is the hon. gentleman not aware of the fact that 75 per cent of the income tax payers of Canada pay less income tax today than they did?

Mr. Pearson: Wait until I read what the Prime Minister said. He said that all of the changes that he had been speaking about and these extra benefits had been secured without any increase in taxes. I know that to my hon. friends who deal in billions of deficits, $213 million of an increase in one year is peanuts, but still—

Mr. Pigeon: "Peanuts", what do you mean? Do you think your party is peanuts?

Mr. Pearson: Mr. Chairman, that opens up a new and interesting sort of avenue of exploration which I will not go into at the moment because I do not want to take an undue amount of time.

Mr. Pickersgill: Leave it to the Minister of Finance.

Mr. Pearson: When the Prime Minister was dealing with the adequacy of what had been done by the Liberal administration compared to the adequacy of what was being done by his government in respect of social security payments, he must expect to be judged by the test which he established himself in regard to adequacy. This test was established once and for all—he cannot escape this test—when he said in an election campaign on April 25, 1957, a Conservative government would set the payments high enough to meet the needs.

An hon. Member: Right.

Mr. Pearson: Is my hon. friend trying to tell me that $65 is enough to meet the needs?

Mr. Monteith (Perth): It is a lot better than $46.

Mr. Bell (Carleton): It is $19 a month more than you were paying.

Mr. Pallett: Does the Leader of the Opposition disagree with that principle?

Mr. Pearson: Of course, I disagree. What is the need of a disabled man? What is the need of a blind man? Is it $55 or $65?

Mr. Pigeon: It is not $46.

Mr. Pearson: The pension plan we on this side are putting forward is a basic pension plan for old age, for disability, for blindness, on which there will be raised a contributory plan which will add to that basic plan. It is never enough to meet the needs of all people. We have this principle exemplified very well in the resolution before us. We are talking about disability allowances which are being paid out of taxation on a basis to be established, but on which there could also be established a disability pension out of a contributory scheme by which a man who suffers disability and who qualifies under that scheme will be able to add to his basic pension.

This is the philosophy we adopt in respect of old age pensions, too. This, Mr. Chairman, is the best way to do it and that is the path we on this side propose to follow. We accept a basic minimum, and on that basic minimum we will add a pension out of contributions to be made by those who benefit from the pension fund.

We have been committed to that principle, Mr. Chairman, since January, 1958, and on the eve of an election, as is our duty, we submit to the people of this country the details, not all the details but the details, as to how that commitment can be carried out. The people of this country will know what we propose to do. What will they know about the government's contributory scheme? All they will know is that in some way at some time this government will ask the provinces for a constitutional amendment to make possible a contributory pension scheme to be added on at some date.

Mr. Monteith (Perth): We have asked; not "at some time".

Mr. Pearson: Hon. gentlemen have had four years, nearly five years to approach the provinces in respect of this matter and they do it in January, 1962. In doing it, Mr. Chairman, they accept, apparently without question, that the federal government can do nothing in regard to a contributory pension scheme without a constitutional amendment. We do not accept that. We know quite well that so far as survivors benefits are concerned and disability allowances as well, there will have to be consultations and approval of a constitutional change.

Mr. Monteith (Perth): You admit it now. The hon. member for Essex East would not admit it.

Mr. Pearson: My hon. friend is getting a little heated.

Mr. Monteith (Perth): My hon. friend from Essex East would not admit it.

Mr. Chevrier: The minister has been asleep for four years.

Mr. Pigeon: You have been asleep.

Mr. Chevrier: Pipe down, Mortimer Snerd.

The Chairman: Order. As the hon. Leader of the Opposition has the floor it would be helpful if hon. members would refrain from making interjections from their seats.

Mr. Balcer: The hon. member for Laurier is guilty.

Mr. Denis: The minister is doing it now.

Mr. Pearson: Thank you, Mr. Chairman, for your effort to give me a quiet floor. Now that the hon. minister is writing away perhaps I can proceed.

Mr. Monteith (Perth): I am just writing a letter to my wife.

An hon. Member: What about the United Nations?

Mr. Pearson: In respect of the contributory pension plan it is now obvious that survivors' benefits and disability pensions—the portability of a scheme—has to be brought into effect in co-operation with the provinces. That requires provincial consent and perhaps a constitutional amendment, but the basic contributory pensions can be brought into effect without any kind of constitutional amendment because the constitutional amendment to cover the basic provisions of the pension fund was secured a good many years ago.

An hon. Member: Nuts.

Mr. Pearson: I hope my hon. friend's eloquent interruption gets into *Hansard*. The government have been seeking for some way to delay such a scheme. They have delayed it for years in spite of their statements in 1957-58 that if they could get a constitutional amendment they would do it. Now they say they cannot do it without a constitutional amendment, but that is wrong. It is a defeatist attitude. That is the attitude they should have taken five years ago, and so not have deceived the people of Canada.

Now that we are awaiting an election we have an obligation to tell the people how we would do it. We have done that. We ask the government to do the same.

Mr. Jones: The Leader of the Opposition has the obligation whether there is an election or not.

Mr. Pearson: That was a silly, juvenile interjection.

Mr. Campbell (Stormont): After listening to the most eloquent address by the Leader of the Opposition I am reminded of my own Scottish grandmother who was addicted to the Scriptures. After one particularly childish prank, at the age of about seven years, she instructed me to look up Proverbs, chapter 17, verse 28. I was going to save this particular verse for the hon. member for Essex East. I was going to commend it to him on one of those occasions which we have come to regard as typical of his contributions, but I think in all charity and kindness I should commend it to the Leader of the Opposition for his edification and instruction tonight as it seems singularly appropriate. Verse 28 says this:

> Even a fool, when he holdeth his peace, is counted wise: and he that shutteth his lips is esteemed a man of understanding.

I have only one more comment to make about the speech of the Leader of the Opposition with regard to the great increase in productivity during the post-war years, the great years of Liberal boom. Of course he attributes this to the acumen and abilities of the men who guided the destinies of our nation at that time. However, I contend it was due to certain fortunate peculiarities. In the first instance it was due to the accumulation of purchasing power over the four years of war during which the people could not spend any money. It was also due to the accumulated veterans grants which were finally spent all at once. It was also due to the fact that the economies of Western Europe and Japan were devastated, and we were in the fortunate position for some years after the war of being able to sell whatever we produced at whatever prices we asked. Then finally, just when the bloom was coming off the rose, along came the Korean war with the tremendous United States defence spending which it engendered.

In addition to all that, there was the great influx of foreign capital, particularly United States capital, largely to take advantage of British commonwealth preferences, and to such an extent that 51 per cent of our secondary industry is owned outside the country. That was the cause and origin of the tremendous post-war boom. It was due to these fortuitous circumstances over which no one here had control.

My remarks on this particular topic tonight will be brief and extemporaneous.

Mr. Pickersgill: The better for both.

Mr. Campbell (Stormont): I commend the minister and the government for this legislation and the increase which it provides. It is not as large as I would like to see. Personally I would have raised the level to $75, but much more would I prefer to see the age for eligibility for normal pensions being lowered to 60 years. I shall give my reasons in a moment, but just now I wish to say the minister and the government have given every evidence of their solicitude for social welfare. This government has given two substantial increases in four years, increases unprecedented in the history of our country.

If there could have been any larger grants made at this time, consistent with the government's duties and responsibilities in other

directions, there is no doubt they would have been given, and there is no doubt that as soon as the government is in a position to do so it will provide more adequately for those in need. The government's actions have been completely consistent with the policies and traditions of this party, and I am saying this for the benefit of the hon. member for Port Arthur.

It is an historical fact that it was the Tory party in England which relieved excesses in the early days of the industrial revolution, thus preventing the kind of revolution which occurred in France. This was the Tory democracy of Disraeli and the great Tory philanthropist Lord Shaftesbury. This was a continuous stream in the history of the Tory party in the old country, where our origins are, and I am glad to see the measure of consistency that is evident in that respect in this house tonight. It is also consistent with the social legislation brought in by our predecessors, the Bennett government. I am speaking about such things as legalizing trade unions, the eight-hour day, the 48-hour week, the fair trade practices legislation, national minimum wage legislation and unemployment insurance. It is also consistent with the great public utility ventures, public service ventures established to serve the state of Canada, introduced by this party in former times. I am referring to such organizations as the C.B.C., the C.N.R. and the Bank of Canada which were all established by Tory governments.

Mr. Pickersgill: Are you boasting about the Bank of Canada?

Mr. Campbell (Stormont): To listen to some of the hon. members speaking for the opposition one would think that these great organizations which have played such a constructive role in the development of our country were their own private preserve. They merely regard it as their private preserve in their endeavours to pervert it to their own use, but only in that sense could it be regarded as being their private concern.

I think this is also consistent with the attitude the official opposition and their supporters are taking within and outside this house toward this very beneficial, useful and necessary social legislation. I have heard consistent criticism from some of my Liberal friends in Montreal, at home and elsewhere, about this. They have been continually carping critics of this type of legislation. That, too, is consistent with the policy of that party, especially in recent years. All the great vested financial and moneyed interests have become enamoured of the late minister of trade and commerce; they have become disciples of his and are still supporting his group.

The policies of that particular party are naturally conditioned by those vested interests which are supporting them and this tendency will only be exaggerated and amplified by some of the newer and foremost candidates who are coming forward. The Leader of the Opposition mentioned some of their names earlier. No doubt there are other august personages of a similar calibre in the wings who will more and more dictate the policies of that party.

May I, in criticism of those policies and to illustrate how obsolete they are, how inconsistent they are with the needs and the demands of this urbanized, industrialized twentieth century, cite some criticism from a most distinguished and able journalist, one who is by no means hostile to the official opposition.

An hon. Member: What is his name?

Mr. Campbell (Stormont): His name is Mr. Blair Fraser, one of the most respected journalists in this country. I will read from an editorial of his in *Maclean's* magazine of February 10, 1962. I wish to quote a couple of paragraphs which I think are very relevant to this matter.

Mr. Habel: The date of his birth?

Mr. Campbell (Stormont): He says:

> Businessmen should resist the temptation, in an election year, to fire rhetorical shotguns at government spending on welfare. They have no effect on platforms or policy ... but they do have an effect on the status, repute and political influence of the business community. If free enterprise is to survive the twentieth century, its advocates had better stop using the language of the nineteenth.

He goes on:

> Take old age pensions, which all political parties say they plan to increase. The care of retired people, rich or poor, is a charge on the current economy. They do not work, they do consume, so they are supported by those who are still working. The purpose of a universal, tax-supported pension is to make sure that the benefits are fairly distributed —that everyone, not merely a well-to-do minority, shall live out his retirement in decent independence, and not be forced to rely on relatives or on public charity.

Then he goes on to deal with hospital insurance and other things. But this is the important point; this is the point about which most exception has been taken regarding this very necessary and beneficial legislation. The writer of this article is referring to the point about which exception is usually taken, that it is going to cost too much, it is going to

create catastrophe and inflation, and heaven knows what else, in the typical fashion of these prophets of gloom. This is the answer:

> Even this threat of inflation, though, has been magnified by wolf-crying critics. This year Canada is running up the biggest peacetime deficit ever, yet prices are stable. In the past four years the total budget deficits of the federal government are over $2 billions, and prices have gone up only 6½ per cent. Between 1948 and 1957, on the other hand, we accumulated surpluses of more than a billion and a half and yet we did have inflation—a price increase of 25 per cent.

Some hon. Members: Shame.

Mr. Campbell (Stormont): He continues:

> Deficit financing is not inevitably disastrous, and this is a fact of recent experience that every voter knows. Oratory to the opposite effect is therefore unconvincing.

I contend that this type of legislation, which is so typical of the present government, can be justified, apart altogether from its necessity, apart altogether from humanitarian grounds, on a sound economic basis, because there is nothing that does more to help business and to improve business conditions than increasing the consumer purchasing stream. These elderly people, immediately their pensions are increased, need to spend it on necessities, on consumer goods. They dash down to the corner grocer and buy something more to eat. This money is always kept going around; it increases the consumer purchasing stream and keeps the economy going. On that basis alone it can be more than justified.

One can get into very intangible areas when making projections into the future; but I believe that in future it is inevitable that we have more leisure, that working hours be shorter. We are now approaching what might be called a bureaucratic revolution. Originally we had an industrial revolution, but now, with automation, mechanization and what have you, we are getting into a bureaucratic revolution. Go down to Montreal or Toronto or any of the big cities on this continent and you will see these great, new skyscraper office buildings; these human filing cabinets, if you want to call them that. This is the type of thing that indicates the trend or the direction in which society is going inevitably in this day and age of the twentieth century. Because of this it seems inevitable that labour will become less and jobs, in a physical sense, will become fewer and fewer.

This is a long term economic trend independent of any government or anything that governments can do. Therefore it seems the part of wisdom to provide that if there is to be an almost continual shortage of employment, those in the prime of life, those who are supporting families should have first priority. This may involve lowering the age qualification for these pensions to 60 so that older people can be prepared and will have the knowledge that they will be able to live the latter part of their lives in security, and they can plan and act accordingly. This, of course, has no immediate relevance but to my mind this is the trend of the future, and this type of legislation is consistent with this trend.

[Mr. Campbell (Stormont).]

Therefore I once again heartily endorse this legislation which is in such striking contrast to the chaotic, jumping back and forth program that was brought in by the official opposition and then scrapped when they heard that a more practical one was proposed by the government. I contend that this legislation is the best that is available at this time, consistent with the other responsibilities of this government, and I very heartily endorse it.

Mr. Brassard (Lapointe): Would the hon. member permit a question?

Mr. Campbell (Stormont): Yes, surely.

Mr. Pickersgill: He would love it.

Mr. Brassard (Lapointe): Was it not a Progressive Conservative member of parliament who was named by the Speaker on July 29, 1944 at a time when he was objecting to the family allowances legislation?

Mr. Campbell (Stormont): I did not understand the question. Would the hon. member mind repeating it?

An hon. Member: Is your name Courtemanche?

Mr. Brassard (Lapointe): Is the hon. member aware that it was a Progressive Conservative member of parliament who was named by the Speaker on July 29, 1944 when he was objecting to the family allowances legislation?

Mr. Campbell (Stormont): I was not in the family allowances legislation. That was in Ontario, was it not?

Mr. Herridge: Mr. Chairman, I listened with great interest to the remarks of the hon. member for Stormont. I may say that his Gallic fervour, his quotations from scriptures, his physical animation and his pretentious diction gave an appearance of substance to what was, in effect, pure wind.

Mr. Campbell (Stormont): Can the hon. member inform us who is responsible for the impure wind which is emanating from that quarter of the house?

The Chairman: Shall the resolution carry?

Mr. Herridge: I see the hon. member for Greenwood is very anxious to commence. He usually waits until I have finished paining him and then tries to knock my ninepins over.

That the government be requested to amend the regulation under the Disabled Persons Allowance Act to provide for payment of allowances to persons judged by a medical referee board to be physically incapable of gainful employment.

I say in all seriousness that the members of this group should be excused if they face this debate with a certain smugness and self-satisfaction, because their record in this house as far as social security is concerned is unblemished, untarnished and without reproach. Today, when the Prime Minister was speaking, in order to bolster his arguments and sharpen his criticism of the official opposition the only reference he made to this group was to quote from statements we have made on the subject of old age security in years past. I think I have proved that point.

However, we are anxious for this resolution to go through. I am simply rising to express our support for the principle of this resolution which provides for a welcome $10 increase in pensions paid to disabled persons in addition to an increase in the permissible income, something which his group has urged for a number of years.

I do not wish to repeat the brief comments I made during the debate on the old age security measure except to say that in general what I said on that occasion applies to this resolution. We continue to protest this piecemeal approach to the question of old age security and trust this will be the last time when we shall have to deal with legislation of the present type in this fashion.

Before resuming my seat I should like to bring to the attention of the committee something which has been brought to my notice on numerous occasions with respect to the administration of the Disabled Persons Act. I know the administration of the act is carried out in co-operation with the provincial governments, but I think it is safe to say, judging from the letters and resolutions I have received from various organizations, that the regulations with respect to disability have been somewhat too restrictive. As I say, I am not certain whether that is the responsibilty of the federal government or not. I would suggest, however, that consideration be given to introducing a wider definition of disability. I have met several people who have been denied a disability pension though they have obviously been unable to earn a living, unless it is possible to earn a living from a wheelchair handing out tickets, and so on—I know that there is restricted employment of this type, but these men are usually of an age where they would find over-much competition for such jobs when they do exist. To indicate that some thought has been given to this matter, I want to quote from a letter which I received some time ago from the president of the national old age pensioners federation, Saskatoon. Among the suggestions put forward is the following:

I think that does provide the basis for an objective approach to a person's physical condition and capacity for employment. That is all I wish to say at this time, because we in this group are anxious to see this legislation go through. I think that in fairness to the members of this group it must be recognized that our remarks have been constructive, restrained and to the point on all occasions.

Mr. Macdonnell: I was in doubt as to whether I should speak at all on this resolution, but as one with even 25 per cent Scottish blood I feel I should say something about the unwarranted attack made by a Sassenach from West Kootenay on a gentleman with the undoubted Scottish background of the hon. member for Stormont.

Having said that, I must confess I have a grievance against the hon. member for Stormont because he made most of my speech.

Mr. Pickersgill: Would the hon. member permit a question? Does he not think that in his introduction he is verging on racial discrimination?

Mr. Macdonnell: There is no racial discrimination among the higher races.

I want to add one or two points to what the hon. member for Stormont said because I was really amazed beyond words to hear the Leader of the Opposition tell us this afternoon that if the government of which he was a member had continued in power there would have been no deficits. Indeed, I can only explain those words by saying to myself that the hon. gentleman had surrounded himself with a cloud of economic experts. I think that is most dangerous. Academic economic experts are dangerous enough, but when you have added to them the businessmen who have turned experts and the journalists who have turned experts I think you have a mixture which can produce strange things. I suggest it did produce a very strange statement this afternoon, because if I understood the Leader of the Opposition correctly he did say in plain English that if they had stayed in power he believed that they would have been able to avoid deficits.

The economic story of the last four years, largely indicated by the hon. member for Stormont, seems to me to be so clear. There were the years after the war when you had pent-up purchasing power; you had a destroyed Europe coming to purchase supplies to rebuild itself, fortified by $14 billion under the Marshall plan; to that must be added our

own advance of $1,250 million to Britain, a sum which was spent here. There were all kinds of factors, including the Korean situation. All these things must be considered in the light of the situation which emerged just about the time of the change of government—the slowing down of European demand, the greatly increased productive efficiency of Europe which had been given practically a brand new send off by the Marshall plan, and the rapid increase in automation in combination with a slowing down of the economy in the United States. These things seem to me to present a clear picture and I was, therefore, distressed to hear the Leader of the Opposition say what he did. The hon. gentleman is a very old and valued friend and up to the present time I have had the feeling that if the Canadian electorate did suddenly go mad at the time of the election and vote for the return of the Liberal government it would not, at any rate, be so bad because we would have people we knew. But this afternoon, when I heard the hon. gentleman make the statement which he made with apparent confidence, I was really shaken and I recommend him to have another look at the economists of various types that he has gathered around him.

Before I sit down I want to make one comment on the speech made this afternoon by the hon. member for Port Arthur. I am sorry to see that his opinions are more or less shared by my good friend from Kootenay West.

The idea seemed to be that socialists have a monopoly on social security. I was not able to take any other meaning out of it. The hon. member for Port Arthur seemed to be very clear. He spoke out "loud and clear". Our friend the hon. member for Kootenay West was very much the same. I wonder where they have been living. How do they think these advanced measures of social security we now enjoy have arisen? Where did they come from if not from the two old parties? I really felt distressed that people living in this year of grace—if it is a year of grace—1962, should allow themselves to get to their feet and make that statement seriously.

I wish to refer to a short quotation from the Conservative convention of 1942. The hon. member for Port Arthur who, I am sorry to observe, is not in the house, is a man who travels, who reads and who very recently has been in England. He must know that for the last ten years or more in England social security ad-lib has been provided by the Tory party. I think they were under the influence of those great Tories Sir William Beveridge and Keynes whom I think nobody could describe as anything but people of the left.

[Mr. Macdonnell.]

Before I take my seat and as an indication that this party to which I have the honour to belong has not learned about social security yesterday or the day before from our friends opposite, but have been seriously inclined to it for many years, I read the following from the proceedings of the Conservative convention of 1942 at Winnipeg, just 20 years ago:

> We believe that the reconstruction of post-war Canadian economy must be based upon the following principle set forth in Section 5 of the Atlantic Charter:
>
> "Fifth: They desire to bring about the fullest collaboration between all nations in the economic field with the object of securing for all, improved labour standards, economic advancement and social security."
>
> A social security program, the adoption of which we advocate, would include in a unified system:
>
> (a) Unemployment insurance;
>
> (b) Adequate payments for the maintenance of unemployables;
>
> (c) Retirement insurance;
>
> (d) The payment of increased old age pensions, at a reduced age, until such time as the retirement insurance scheme becomes fully operative;
>
> (e) Adequate pensions for the blind;
>
> (f) Adequate mothers and widows allowances.

Whatever criticisms or accusations can be brought against that program, I do not think anyone will argue that it was brought forward by people who were not deeply aware of the necessity for social services.

Mr. Pickersgill: Mr. Chairman, I am just wondering whether the proceedings of the committee perhaps might be facilitated if I allowed two minutes' silence for the hon. member for Joliette-L'Assomption-Montcalm so that he could say "Under two flags" about ten times and "Six dollars" about 12 times instead of interrupting my speech with those foolish interjections.

Mr. Pigeon: Oh, no; your statements are foolish.

Mr. Pickersgill: However, as I have no hope whatsoever that I would induce a degree of temperance in the hon. gentleman, even if I allowed him two minutes, I think perhaps I should proceed at once.

Mr. More: Mr. Chairman, I am just a backbencher but I have been here for the past three years. I tackled the hon. gentleman once previously about this matter. I think it is only right to tackle him again when he refers to interruptions. If anyone wishes to check *Hansard* for the last four years he will find that, during one speech by the Minister of Finance, the hon. member for Bonavista-Twillingate holds the record for interruptions.

Mr. Pickersgill: Out of deference for the hon. member for Regina City who is one of the most amiable members of the house, I may say that the record to which he refers

was exceeded the other evening when I spoke. One of the newspapermen telephoned me the next day and he said, "Do you know that in 30 minutes you were interrupted 54 times?" That is about twice a minute.

An hon. Member: By your own members.

Mr. Pickersgill: I do not think this discussion is very relevant, even in relation to what other members have said, to the debate that is before us.

I should now like to begin, although not in the way in which I intended to begin, by a reference to the speech made by the hon. member for Greenwood for whom I have as much respect as I have for any other hon. gentleman on the other side of the chamber, and a great deal more than I have for most hon. gentlemen over there. The hon. gentleman did something which I am sure was totally inadvertent. He misquoted my hon. friend the Leader of the Opposition. I am sure the Leader of the Opposition would not have been so immodest as to claim that if a Liberal government had been in office there would necessarily have been the same degree of growth as there was when a Liberal government was in office. What the Leader of the Opposition said was that if the rate of growth that took place between 1946 and 1957 had continued there would have been no deficits in the last four years. He did not say anything about who was in office; he said that if the rate of growth had continued, there would have been no deficits in these last four years. That is a very different thing. But as my right hon. friend Mr. St. Laurent used to say so often, it may just be a coincidence that in the 20th century when we have had Liberal governments there has been growth, but when we have had Tory governments there has been stagnation; but if it is coincidence, would you not prefer to have that kind of coincidence? When the time comes to have another coincidence, I think the people of Canada may remember Mr. St. Laurent's words.

Mr. Johnson: Remember what you did to St. Laurent in the election.

Mr. Pickersgill: The Prime Minister, who introduced this totally irrelevant debate in which we have had a certain amount of satisfaction in taking part, said that the program of contributory old age pensions—

Mr. Campbell (Stormont): May I ask the hon. gentleman a question?

Some hon. Members: Sit down.

Mr. Pickersgill: —of the Liberal party had not made any impression—

Mr. Campbell (Stormont): May I ask the hon. member a question?

Some hon. Members: Sit down.

The Chairman: The hon. member for Bonavista-Twillingate has not yielded the floor.

Mr. Pickersgill: As I was saying, Mr. Chairman, when I was interrupted by someone whom I cannot see, the Prime Minister said that the Liberal policy or the Liberal program for a contributory old age security system, to be erected on the basis we already have, had made no impression on the public. About that matter, of course, the public will one day give judgment and it may not be long from now. However, the Liberal plan certainly made a most profound impression on hon. gentlemen opposite as they cannot talk about anything else. From the Prime Minister down, they have become obsessed with it and they have been so obsessed ever since it was announced. I am convinced that the reason for this obsession undoubtedly is this. The Prime Minister has all those public relations people with whom he is surrounded who keep him insulated from the public, from the public business and the duties of government and who keep him constantly in the stratosphere of public relations. These gentlemen have been saying, "This Liberal program has made a real impression on the public and you have got to deflate it somehow".

I think there was only one deflation this afternoon and that was the deflation of the speech of the Prime Minister by my hon. friend the Leader of the Opposition. Indeed, it would not be necessary at all for me to take any part whatsoever in this debate were it not for the fact that the Prime Minister made certain totally irrelevant observations.

Some hon. Members: Oh, oh.

The Chairman: Order. There is such a marked propensity toward interruptions tonight that I would ask all hon. members to co-operate so that we may get on with the study of this resolution.

Mr. Pickersgill: I was saying, sir, that if it had not been for certain utterly irrelevant and also utterly incorrect observations made by the Prime Minister I would not have taken any part in this debate at all this evening. The Prime Minister sought to give the impression that nothing could be done by the government to provide a contributory old age program until there had been a constitutional amendment. This discovery of the Prime Minister was made only in the year 1962. He did not indicate that to the people in 1958 when he was telling them that as soon as the election was over they would get

a contributory system. He did not tell them that in 1959 when the Clark report was first received. He did not tell them that in 1960 when it was gathering dust, and he did not tell them that in 1961 when it was gathering more dust. It was only in 1962 on the eve of an election that he suddenly discovered that there had to be a constitutional amendment.

It may be—I do not know and I suggest that neither does anyone else with certainty—that for some of the ancillary features that might be desirable in a contributory old age security program a further constitutional amendment would be required; but the amendment of 1951 was made precisely for the purpose of providing a constitutional foundation for contributory old age pensions and there is no reason on earth why a contributory old age pension bill should not be before the house and under debate right now if the government had wanted to carry out the promise it made four years ago. But the government did not want to do so. They have no program, they have no scheme and they are hiding behind this latest smokescreen and rather hoping that they can use the same tired old promise to win the coming election.

Mr. Pallett: Has the hon. member read the letter from Premier Lesage before saying that?

Mr. Pickersgill: I have read Mr. Lesage's letter very carefully.

Mr. Pallett: So have I. Did you understand it?

Mr. Pickersgill: Mr. Lesage was a distinguished member of this house when the hon. gentleman was still in the nursery. Mr. Lesage was one of three or four people who had more than anybody else in this country to do with the fact that we have universal old age pensions today on a scale that is higher than any other country in the world—

Mr. Benidickson: He was chairman of the committee.

Mr. Pickersgill: —and that was also higher than the scale in any other country in the world, including the rich United States, in 1957.

Mr. Pallett: Does the hon. member disagree with the letter from Premier Lesage?

Mr. Pickersgill: If the hon. member would make his own speech on his own time and not interrupt me I would be obliged.

Mr. Pallett: Would the hon. member permit a question?

[Mr. Pickersgill.]

Some hon. Members: Sit down.

Mr. Pickersgill: As I was saying, Mr. Lesage was very familiar with what happened in 1951. What happened then was that the scheme for universal old age pensions which we now have, and for which this government is seeking to take so much credit, was shown to the provincial premiers, including the friend of hon. gentlemen opposite, Mr. Maurice Duplessis. They were shown the whole scheme before they were asked to approve a constitutional amendment and all of them, even including that great autonomist, approved that amendment at that time.

What has Mr. Lesage said in his letter? He has said, "Show us your scheme. Let us know what you are going to do. Put up your scheme and then we will see what we ought to do. We are not going to give you powers until we know what powers you want." In other words, what Mr. Lesage has done is to call their hollow bluff. That is what he has done. He has called their hollow bluff and their faces are very red. That is what he has done, and I thank the hon. member. I had not intended to deal with this point but I thank him for giving me the opportunity to do so.

Mr. Pallett: Where does Premier Lesage indicate that no constitutional amendment is required? Would you point that out in his letter? Indicate where the premier of Quebec says that no constitutional amendment is required.

Mr. Pickersgill: I have said what I wish to say about this subject and I now want to go on to discuss that collection of misrepresentations that we were given this afternoon by the Prime Minister. The Prime Minister talked about the base year. The only thing that was base in what the Prime Minister talked about was his argument.

Mr. Pallett: It was a Liberal administration.

Mr. Pickersgill: The year that he picked was the year 1956-57. The Prime Minister, I assume, after five years, though I am not sure this is true because he knows so little about government—

Some hon. Members: Oh, oh.

An hon. Member: Look who is talking.

Mr. Pickersgill: Yes, and I can tell the hon. gentleman a good deal about that subject. Any man who is absent from his office one day out of every two for three months cannot be doing his job, and that is the Prime Minister's record in the last three months of 1961.

Mr. Monteith (Perth): Mr. Chairman, on a point of order, the hon. member is entirely incorrect in that statement. There is nobody in attendance at his office in Ottawa more than the Prime Minister of Canada.

Mr. Pickersgill: The minister's loyalty does him more credit than his judgment.

Mr. Monteith (Perth): I still say that that is right.

Mr. Pickersgill: The minister's loyalty does him more credit than his judgment.

Mr. Monteith (Perth): By golly, you know it too. That is an absolute lie.

The Chairman: Order. Once again I would ask all hon. members to co-operate. It is quite impossible for the hon. member who has the floor to continue unless hon. members desist from interjections from their seats.

Mr. Monteith (Perth): I could not agree more, Mr. Chairman, provided the hon. member sticks to the truth.

Mr. Pickersgill: There were no similar interjections from this side when the Prime Minister was denaturing the truth this afternoon. He was allowed to do it, and I think we in the minority, notwithstanding the howling members led by the minister who want to prevent free speech in the house, should be allowed—

Mr. Jones: On a point of order, Mr. Chairman—

Some hon. Members: Sit down.

Mr. Jones: On a point of order, Mr. Chairman—

An hon. Member: There is no point of order there.

Mr. Jones: On a point of order; if you Liberals will keep quiet enough so that the chairman can hear me—

Some hon. Members: Oh, oh.

Mr. Jones: On a point of order, Mr. Chairman, if the Liberals will keep quiet so that the chairman can hear me—

Some hon. Members: Oh, oh.

Mr. Jones: Would you like to remain quiet so that the chairman can hear me?

The Chairman: Order.

Mr. Jones: I wish to raise a point of order.

The Chairman: I would ask the hon. member to proceed immediately with his point of order.

Mr. Jones: I shall do so if you can hear me, Mr. Chairman. Not ten minutes ago you called the committee to order because the hon. member who is speaking now was being interrupted so that no one could hear him and by members of his own party. The allegation he has made at this time is sheer nonsense. I think the Chair should take notice of the allegation he has made because he was interrupted so frequently and so loudly by his own members that we on this side could not hear him.

Mr. Pickersgill: Mr. Chairman, I do not think that even I can proceed very much longer if Your Honour does not give a ruling on that kind of alleged point of order. The hon. gentleman did not like the argument I was making and he interrupted me on what he claimed was a point of order in order to seek to reply to my argument. It is impossible to continue if that kind of abuse by the majority is to be permitted.

The Chairman: As I stated before, the hon. member has the floor and I think everyone wishes he should keep the floor until he yields or until his time has expired. I would ask hon. members to co-operate with the Chair in enforcing the rules of this committee. I think that the point of order the parliamentary secretary has just raised is not, in reality, a point of order. I, therefore, yield the floor to the hon. member.

Mr. Pickersgill: I thank you very much for your consideration, Mr. Chairman.

What I want to do, sir, is to point out one very simple fact. The Prime Minister sought to make a comparison this afternoon between the payments that were made on what he was pleased to call social justice but what normal people call social security in 1956-57, which was the last fiscal year of Liberal government. Of course, this is a very clever, but very specious piece of argument because the ordinary person does not stop to think that, while it is true 1956-57 was the last full fiscal year the Liberal party was in office, it was not the last year for which the Liberal party was exclusively responsible for the level of expenditure. All the expenditures that were authorized to be made in the year 1957-58, with one small exception and that small exception was the amendments that were made to the old age security and related measures in November, 1957—

An hon. Member: Small is right.

Mr. Pickersgill: It was very small, indeed, in relation to the total expenditures. I say that, with that one small exception, every other expenditure that was made in the fiscal year 1957-58 was authorized by parliament before the dissolution in 1957 on the recommendation of the Liberal government of that

day. All these expenditures, therefore, in the year 1957-58, with a relatively small item substracted, are part of the Liberal record and not part of the Tory record. This is one of those public relations gimmicks that the Tory party has been using steadily for four years in attempting to confuse the people.

The facts, sir, were put on the record of this parliament two years and seven days ago. They are very clear and they are very simple. I can read them from the record if hon. members so desire, but I think I can summarize them even more easily. I will summarize them, and if I am challenged to put them on the record I will be glad to do so. I should like first to make my summary. The increases in social security expenditure that were authorized by a Liberal government in the last budget of Mr. Walter Harris amounted in total to a larger sum of money than the expenditures that were authorized by the Tory government in the fall of 1957. I have the exact figures here. People talk about the $6, but they never say anything about the fact that family allowances were increased during that session as well and that the actual social security payments authorized by the Liberal government in the year 1957 were bigger than the increases brought in by the right hon. gentleman in November 1957. This is a fact that has been admitted in this house by the Minister of Finance when he was forced to answer a question and produce statistics. It is a fact that no one can controvert.

Now, a lot of cheap—

Some hon. Members: Oh, oh.

Mr. Monteith (Perth): Those fellows behind you.

Mr. Pickersgill: —political arguments—

An hon. Member: They are not sheep, they are lambs.

Mr. Pickersgill: A lot of cheap political argument has been made about the $6 increase in old age pensions in 1957. However, that $6 figure was precisely 15 per cent more than the old age pensions were at that time. In the interval, between the time when all parties, with the enthusiastic support of the present Minister of Finance, decided in 1951 that $40 was an appropriate universal old age pension, and 1957, the increase in the cost of living was precisely 15 per cent. I do not say that $40 was good enough in 1951. But everyone in this house said so. I was not a member at that time. Everyone, all parties, the Minister of Finance and the Prime Minister, voted for it. They acclaimed it. They said it was a good thing. If it was a good thing in 1951, why did it suddenly become a bad thing in 1957? This was difficult for anyone to understand, that is for anyone who has any regard for principles or any sense of responsibility.

But it was not only the old age pensions that were increased in 1957. Family allowances were also increased. There was an increase right across the board in the whole field of social security, and there never has been since. What is more, sir, except for certain veterans benefits, there has been no increase of any kind whatever by the present government in any social security payments since the 1958 election until we arrive on the eve of another election.

Now, what they did between two elections is, of course, open to many constructions. Since I, unlike hon. gentlemen opposite, do not want to impute motives, I will impute none. I leave that to the public. The extraordinary thing is that every promise they made about what they would do after the 1958 election was forgotten until January 18, 1962. Then, they find the constitution stands in the way. This is that great party of social justice, social justice on the eve of an election and no more social justice until the next election.

Some hon. Members: Oh, oh.

Mr. Pickersgill: The people of Canada may be fooled once with this kind of thing, but they are not going to be fooled a second time. We have had the tears dropping in this parliament today over the provinces and the wonderful payments to the provinces. The payments Mr. Harris and Mr. St. Laurent asked parliament to approve in 1956, that is the increase in 1956, were bigger than any increase that has been made since by the present government. The increase between 1956-57 and 1957-58 which was made by a Liberal government, not by a Tory government, was over $100 million. They have not made such a big increase since. This is a fact, and it is a fact that cannot be denied.

I just looked up Mr. Harris' budget speech to see what happened the year before and there was a $40 million increase the year before in that budget for the year. Between the years 1955-56 and 1956-57, there was a $40 million increase and then there was a $100 million increase the next year. Nothing comparable has come from hon. gentlemen at all. We did these things and we kept this country going. We kept the country going, and we maintained a surplus. We were paying off the national debt and the country was developing. It was prosperous.

What has happened? Perhaps it was only an accident, perhaps it was only a coincidence, but it is an extraordinary thing that this coincidence should have occurred.

Mr. Campbell (Stormont): May I ask the hon gentleman a question?

Mr. Pickersgill: No, you may not.

Mr. Campbell (Stormont): May I ask the hon. gentleman a question?

The Chairman: Order; the hon. member has not yielded the floor.

Mr. Pickersgill: It was an extraordinary thing, sir, that within six months of the advent to power of the present government, stagnation set in throughout this country and it has not ceased since. In that whole four-year period from 1958—

Some hon. Members: Oh, oh.

The Chairman: Order.

Mr. Pickersgill: In the whole of it—

Mr. Pigeon: Speak about the $6 increase.

Mr. Pickersgill: Yes, and the two flags as well. In the whole of that period production per capita has fallen in this country. The average Canadian is not producing as much today as he was in 1957. That is a fact.

Mr. Browne (St. John's West): That is a falsehood.

Mr. Pickersgill: It has been put on the record over and over again. That is the explanation of the deficits, not all the wonderful things they have claimed to have done for the unemployed who still number half a million of our fellow citizens. I say there is only one way in which we can have a proper social security system, and that is to have a productive economy which will produce enough to enable us to do for the less fortunate of our fellow citizens what we want to do, what we ought to do, and what this government is not doing.

The plain fact of the matter is that the Prime Minister asks us to tell him which of these expenditures we would eliminate. Well, sir, we would never have encouraged the huge, additional expenditures for the interest charges on the debt we have to pay. We would never have incurred that because we would have managed the finances as all Liberal governments did in very difficult times, reducing the burden of interest instead of increasing it. That is one way of eliminating deficits and I think there are quite a number of other ways we would have eliminated expenditures.

I would say for a start that 90 per cent of all these flights by ministers around the world could be eliminated without any loss to anybody. One could go on and on, but the main thing is that the elimination of social security payments is not the way to approach it. Reduction is a Tory approach. It is the approach of people who do not believe in the future, of people who really believe that everything is static and stagnating. The thing to do is get a government which believes in the future, which moves with the future, which deals with the problems as they arise, solves them, and keeps Canada in step with the rest of the world.

I might relate that one of my friends asked me the other day: under the Diefenbaker government has Canada any friend left anywhere in the world, except Castro?

Mr. McDonald (Hamilton South): Go down to the UN and find out.

Mr. Pickersgill: To the Minister of Trade and Commerce he is a good friend. The fact is that this country has not grown. It has ceased to grow. It is stagnating, and that happened coincidentally with the arrival of a Tory government. Whether it is coincidence or whatever it may be, it does appear to be a fact, as it was in 1930 and as it was in 1911. It is one of those facts that I believe the Canadian people will take into account the next time they take into account the kind of government they want in this country.

Mr. Campbell (Stormont): The hon. gentleman seems to be running away from me all evening. May I ask him a question? I am addressing it to this master of coincidence. Is it also a coincidence that both of the recent depressions in 1929 and 1956 commenced when the Liberals were in office? Is that also a coincidence?

Mr. Pickersgill: Mr. Chairman, since this was a rather complicated question perhaps I might point out to the hon. gentleman that the year 1956 was the greatest boom year in the whole history of Canada since John Cabot came and discovered the country in the first place. It was so good that in 1957 some 280,000 people came from other countries to settle in Canada.

Mr. Campbell (Stormont): What about 1929?

The Chairman: I recognize the Solicitor General.

Mr. Browne (St. John's West): Mr. Chairman, it is with some timidity and trepidation that I follow the very experienced statesman who has just taken his seat. He is watching us all. He knows how many days we spend in our offices and how many days we spend out of them. However, he has made several statements tonight which I challenge him to prove. He asked how could the Prime Minister govern the country if he was out of his office one day out of every two.

Mr. Pickersgill: That is right.

Mr. Browne (St. John's West): That is a very serious allegation to make against the Prime Minister. He is alleging and insinuating that the Prime Minister, if he is going around the country, is going around it on his own business, his own pleasure, and is not dealing with the affairs of the nation.

Mr. Pickersgill: May I point out—

Mr. Browne (St. John's West): Now, you sit down.

Mr. Pickersgill: He is going to Tory meetings.

Mr. Browne (St. John's West): I do not know as much about former prime ministers as the hon. gentleman who has taken his seat. He has lived with them so much that he knows a great deal about them. However I know something about this Prime Minister and I do not think there has ever been one who has been in his office so early and worked so hard at his duties as the present Prime Minister.

Some hon. Members: Hear, hear.

Mr. Browne (St. John's West): Anyone who knows the Prime Minister knows he does not begin his work at nine o'clock or ten o'clock in the morning. He is up much earlier than that, working on the country's affairs. He is in his office at eight o'clock in the morning every day, and is attending to the business of the country when he is going around.

Mr. Pickersgill: He is going to Tory meetings all over the country.

The Chairman: Order. I would ask the house to give the minister its undivided attention, as it did to previous speakers.

Mr. Browne (St. John's West): The hon. gentleman also said that the Prime Minister had denatured the truth. I do not know if that is a parliamentary expression but certainly the imputation was that the Prime Minister was not speaking the truth.

Mr. Pickersgill: What I said—

Some hon. Members: Sit down.

Mr. Pickersgill: On a question of privilege—

The Chairman: Order. The hon. member has declared he is rising on a question of privilege and, according to the rules, he must be heard.

Mr. Pickersgill: On a question of privilege—and I am sure the minister would wish me to raise this—the minister suggested I had accused the Prime Minister of saying something which he knew was not true. I did nothing of the kind. I do not think the Prime Minister knows the facts at all.

Mr. McDonald (Hamilton South): That is even worse.

Mr. Browne (St. John's West): The hon. gentleman is very expert in worming himself out of the situation which he got himself into when he used that expression. That is what he is doing. He is backing down on the statement he made.

The hon. gentleman also spoke about all the Liberal government had done, especially before the election of 1957. Apparently they did all that out of no other motive than goodness and purity of heart, and not with any thought of getting votes when the election came along. It was all done out of goodness, and all the money that was paid in 1957-58, except for one small amount, was voted and provided for in the budget of Mr. Harris in 1957. What is that small amount? Nine dollars increase per month for the old age pensioners and—

Some hon. Members: Six.

Mr. Browne (St. John's West): No, the hon. gentleman referred to the $9 increase of the Conservative government, that little amount that the Conservative government had given.

Mr. Pickersgill: In relation to the whole amount.

Mr. Browne (St. John's West): If $9 was small, what was $6?

Mr. Pickersgill: The hon. gentleman forgets it was $46, not $6.

Mr. Browne (St. John's West): The hon. gentleman said it was small, $9 a month. But how much was it? It was $90 million a year. This is what he called small. If that is what he calls small, he has by far exceeded the former minister of trade and commerce who is reputed to have said, "What is a million?" because he says, "What is $90 million?"

Mr. Robichaud: So what.

Mr. Browne (St. John's West): The hon. gentleman made so many controversial statements that I will not have time tonight to deal with them all, but he did say, correcting the hon. member for Greenwood, that his leader had said—and I know he said it because I know how careful he was when he said it—that if the rate of growth had continued at the same rate from 1957 to 1961 as it did from 1945 to 1957 they would not have had any deficits and they would have been able to do all those things.

Mr. Pickersgill: That is right.

Mr. Browne (St. John's West): The hon. member for Greenwood drew the attention of the committee to the fact that there was a recession in the United States, and the hon.

member will admit, I think, that we are largely dependant upon economic conditions in the United States. If the United States is suffering a recession and they do not buy our goods, there is nothing on earth that can make them do so, and therefore we are bound to be affected by sales to the United States.

Mr. Pickersgill: Will the hon. gentleman permit a question?

Some hon. Members: Sit down.

Mr. Pickersgill: I didn't think he would.

Mr. Browne (St. John's West): In 1956 the former government was advised that a recession was approaching.

Mr. Pickersgill: That is not true.

Mr. Browne (St. John's West): That is the secret report which was suppressed and which was brought out by the Prime Minister.

Mr. Pickersgill: That is not true at all.

Mr. Browne (St. John's West): That is correct; that is what happened.

Mr. Pickersgill: That happens not to be true.

Mr. Browne (St. John's West): The hon. gentleman—

Mr. Walker: You will be locked up one of these days, you Pickersgillian twist.

Mr. Benidickson: That is the kind of government we have. You are going to lock us up. Okay, lock us up.

Mr. Browne (St. John's West): The hon. gentleman repeated what his leader had said. He spoke about the wonderfully prosperous times and all the good things they would have done if they had been in office. But they have lost all their brain trust that was with the government; they only have three or four of them there now. I do not know what they think they could do.

The Leader of the Opposition stated that these things would happen, not only if the rate of growth had continued but if it had continued at 4 per cent, which he said was the rate of growth up to 1957. He stated, without anything to back it up, that the rate of growth had declined. I have here the gross national product figures provided by the dominion bureau of statistics, which give the gross national product for 1956 as $30.6 billion, and for 1961, $37.4 billion, which is an increase—

Mr. Carter: Are they constant dollars?

Mr. Browne (St. John's West): These are dominion bureau of statistics figures.

Mr. Pickersgill: That is the increase in population.

Mr. Browne (St. John's West): They are—

Mr. Harkness: You had better not talk about constant dollars. You devalued the Canadian dollar more than anyone else in Canadian history.

Mr. Browne (St. John's West): I have the population increase here, too. The population increased from 16 million to 18 million in those five years. The figure for 1956 was 16 million people and in 1961 it was 18 million. That is an increase of 2 million, which is 2½ per cent per year. There was an increase of 22 per cent in the gross national product in the last five years, from 1956 to 1961, or more than 4 per cent per annum during that period, and it is increasing now. This is a very wide ranging debate, Mr. Chairman.

Some hon. Members: Oh, oh.

Mr. Browne (St. John's West): The hon. member and his leader have made it so. But here are the figures.

Mr. Chevrier: It was not the Prime Minister?

Mr. Browne (St. John's West): Here are the figures, which show an increase of 19 per cent in exports between 1956 and 1961. Imports increased only 3.5 per cent. Therefore hon. members can see that we have wiped out the deficit between imports and exports.

Mr. Pickersgill: Wiped out the deficit?

Mr. Browne (St. John's West): The deficit in trade that existed for many years until this year. The personal income of the people of Canada has increased by 30 per cent in those five years; labour income has increased by 30 per cent in those five years; corporation profits have increased by 22 per cent; the industrial production index, despite what the hon. gentleman said, that there was no increase in production, has increased by 15 per cent; consumer spending has increased by 30 per cent, and total personal savings have increased by 30 per cent.

Mr. Crestohl: Then why all the difficulty in the country?

Mr. Browne (St. John's West): A man must be out of his wits to make the statements that the hon. gentleman made who just sat down.

Mr. Benidickson: Lock him up.

Mr. Pallett: There is no argument about that.

Mr. Browne (St. John's West): Mr. Chairman, I could go on and deal with other statements that he made, but I want to get back

to something the Leader of the Opposition stated this afternoon. I refer to this wonderful camouflage he made about these shared programs, shared programs which we put into effect. Our government put these into effect because we increased them from—

Mr. Pickersgill: You mean, the taxpayers paid for them.

Mr. Browne (St. John's West): —$110 million in 1956-57 to $550 million in 1961-62, an increase of 400 per cent. I want to refer to what the Leader of the Opposition said—

Mr. Pickersgill: That includes hospital insurance, which the Liberals put on the statute books.

Mr. Browne (St. John's West): Yes, the Liberals put it on the statute books and kept it there; but we brought it into effect, and we brought it into effect very soon.

Mr. Pickersgill: And you did not repeal it.

Mr. Browne (St. John's West): Here is what the Leader of the Opposition said, as I put it down. I may not have got every word right, but this is the impression he gave me. When he was speaking at Guelph he said that when the Liberal government was restored to power, which will be a long time yet—

An hon. Member: Never.

Mr. Browne (St. John's West): He said, with regard to the shared programs, "When we find that they are well established and the provinces wish to carry them on, we will let the provinces administer them". I wish he would explain what he meant. What did he mean? Let us take all these different programs and see what they mean. What do they mean, for example, in regard to agriculture? I am not familar with what goes on in other provinces but I have some idea of what goes on in Newfoundland. The federal government is doing a reclamation job on bogs in Newfoundland and we are paying, I think it is about $150,000 a year and the provincial government puts up $150,000. How is the Leader of the Opposition going to arrange to give compensation to other provinces if they do not go in for that sort of program? He did not explain how, and I do not think he could.

Let us take the health grants for cancer, for various investigations of diseases, X-ray equipment, and so on. If one province goes in for it, or two or three, how is the Leader of the Opposition going to compensate the other provinces for what they do not spend and what they do not do? It seems to me that this is an impossibility.

We have had programs in connection with hospital insurance. If a province does not come in on hospital insurance, how does the Leader of the Opposition intend to compensate the provinces that do not come in under that scheme? Would the honourable, the brilliant and experienced statesman from Bonavista-Twillingate explain how the Leader of the Opposition is going to do that?

Mr. Pickersgill: Would the hon. gentleman like me to do it now?

Mr. Browne (St. John's West): No; you have lots of time.

Mr. Pickersgill: I would be delighted to do so, sir, if I would be permitted.

Mr. Browne (St. John's West): I do not know how many times the hon. gentleman interrupted last session but I have a fair idea of how many speeches he has made in this house—many more than I have—and I hope he will allow me to say what I want to say.

Mr. Pickersgill: The hon. gentleman should not ask me questions.

Mr. Browne (St. John's West): You can make a note of them or read them in *Hansard* tomorrow. It is possible, of course, in regard to disability pensions because we know how many people qualify for these pensions at the present time. But with regard to other things we cannot be certain. Take the vocational training school program, that tremendous program which was introduced by our increasing grants to the provinces to the amount of 75 per cent, a scheme which has had such a magnificent response from all the provinces and which would involve a total expenditure of between $200 million and $250 million. How would the Leader of the Opposition go about compensating a province which did not go into a scheme like that? The hon. member can make a note of that question and answer it tomorrow.

Mr. Pickersgill: Very easy.

Mr. Browne (St. John's West): Oh, I know everything seems so easy to the hon. member, but others do not think his answers are the real answers, after all. Then we must remember that there are three kinds of roads subject to grants—the trans-Canada highway, roads to resources and access roads. If certain provinces do not take advantage of these grants how can they be given compensation? I say the statement made tonight by the Leader of the Opposition is only throwing dust into the eyes of the people and has no substance at all. Then again, with regard to civil defence and with regard to municipal winter works, how would compensation be assessed? How would compensation be awarded in respect of non-participation in the program under which the federal government allows a 25 per cent reduction

to those municipalities who put in storm sewers and main sewers, provided the work is carried out before March 31, 1963? Turning to housing, I remind the committee that the federal government through the Central Mortgage and Housing Corporation is prepared to pay 75 per cent toward the cost of developing federal-provincial projects concerned with clearing slums and rebuilding those areas, together with 75 per cent of the loss in operating the homes which are built. If a province or a municipality does not take advantage of such an offer, how does the Leader of the Opposition intend to compensate that province or municipality?

There are some other schemes and plans which we have brought into effect and which have been most beneficial to this country. If we look at the figures—and I should like to repeat them—we find that in 1956-57 the total amount of conditional grants to Newfoundland, for example, was $6½ million. In 1961-62 it was $23,400,000, an increase of $17 million or nearly three times the 1956-57 figure. The other night the hon. member for Bonavista-Twillingate said: "but did not we draw up the estimates for 1957-58?" I did not hear his question. I was ready with the answer to the question and, in fact, I had it right in front of me at the time. I found the question on record in *Hansard* the next day, but I do not know how it got there. I suppose I could not hear the hon. member at the time. I suppose there was a little interrupting going on. Let us take the hon. member's question and see what the figures were for 1957-58, for unconditional grants to Newfoundland. It was less than in 1956-57—only $6 million. If you begin in 1957-58, then the increase in four years amounts to over $17 million, an increase of over $4 million a year in respect of a little province which has a population of only 480,000. In the same way there is this increase of conditional grants for Canada from $110 million in 1956-57 to $550 million. It seems to me that hon. gentlemen on the other side of the house are expert in making statements but are unable to support them with facts and figures as I have tried to do now.

Mr. Habel: We do not wish to hold up this measure, but there is one thing I want to put on the record, and it is this: in the *Conservative Canadian* of December 1960, there is a paragraph which struck me the other day, when it said that the cost of family allowances had increased by almost $100 million in three years, a percentage increase of 23.6. I wonder if the Conservative party will take credit for the increase of children in the country?

In 1956 there were 5,377,436 children whose parents were in receipt of family allowances. In 1960, there were 6,219,989. If this government is going to take credit for everything that happens in the field of social security—a term which they have now changed, by calling it social justice—I wonder whether they will take credit for this increase in the number of births in Canada?

Mr. Peters: It is unfortunate that the time has gone by so rapidly. I regret that the hon. gentleman who has just sat down, the minister without responsibility, never spoke about the particular subject under discussion except in a passing manner.

I am interested in these pensions and I hope that tomorrow I shall have an opportunity to say something about them. The discussion which we have had today was certainly of interest. We have learned a great deal about the different opinions held on social justice and other things, but very little has been said about disability pensions. I should like to discuss these.

May I call it ten o'clock?

Progress reported.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Tomorrow is Friday and I would hope the leader of the house could, for the convenience of all hon. members, indicate not merely what the business will be tomorrow but, especially for the sake of those who go home to Toronto and Montreal, tell us what we may expect on Monday and subsequent days of next week.

Mr. Churchill: If I could be assured that the hon. member for Bonavista-Twillingate would be away tomorrow I would announce the business for next week, but he will likely be here.

Mr. Pickersgill: Is that a bargain?

Mr. Churchill: Having made notable progress today we shall continue with the same order of business—the nine items—as I listed last night.

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

HOUSE OF COMMONS

Friday, February 9, 1962

The house met at 11 a.m.

PUBLIC BUILDINGS

POST OFFICE CONSTRUCTION—STATEMENT ON WINTER PROGRAM

Hon. D. J. Walker (Minister of Public Works): I wish to report to the house on an important part of my department's program for winter work. A total of 64 small post office buildings are being erected across Canada this winter. The program is now well under way, and the buildings are all part of the government's regular accommodation requirements. Construction was deferred wherever possible during the summer so that they might form part of the program for winter work.

The policy of erecting small, standard plan post offices during the winter months was inaugurated during 1958-59 and, with the completion of this winter's program, a total of 259 such structures will have been built under this scheme in the smaller communities of Canada. Each building provides between 600 and 800 square feet of working space and costs not more than $25,000, including land. In all cases tenders have been called locally to permit the use of local workers who may be unemployed during the winter months.

This winter's program is proceeding at a satisfactory pace, and wherever possible the work will be completed by March 31. To date tenders have been called or contracts awarded for 56 post offices. In a few of the communities listed buildings may not be erected as planned, but such instances are expected to be extremely rare.

The construction of standard plan post offices constitutes only a part of the over-all winter works program carried out by the Department of Public Works. For a number of years it has been standard practice to defer certain types of work from the summer and to let the contracts at such a time as to provide the maximum amount of winter work. In addition building contracts, both large and small, continue to carry a clause which specifies that work must not be stopped during the winter months without the express permission of the department.

A list of the communities where new post offices are planned follows, and I would ask, without reading it, to have it form part of *Hansard*.

Mr. Speaker: Has the hon. minister leave to add the list to today's *Hansard*?

Some hon. Members: Agreed.

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

Province	Location
Nova Scotia	Lawrencetown
	River Hebert
	Reserve Mines
New Brunswick	Centreville
	Blacks Harbour
Quebec District	Desbiens
	Langevin
	Matapedia
	Pont Rouge
	St. Jean De Dieu
	St. Prosper
	St. Raphael
	Abbotsford
	Frelighsburg
	St. Donat de Montcalm
	St. Sauveur Des Monts
	Valcourt
	Val David
	Weedon
	Parent
	Quyon
Ontario	Pakenham
	Portland
	Azilda
	Caledon East
	Drayton
	Dublin
	Fort Erie P. Stn. B
	Gogama
	Delaware
	Drumbo
	Plattsville
	Longlac
Manitoba	Eriksdale
	Ethelbert
	McCreary
	Plum Coulee
	Riverton
	St. Claude
	Wawanesa
	Winnipeg Beach
Saskatchewan	Blaine Lake
	Borden
	Choiceland
	Churchbridge
	Delisle
	Hodgeville
	Jansen
	Kyle
	Mossbank
	Norquay
	Radisson
	Southey
	Theodore
Alberta	Barons
	Breton
	Donalda
	Elk Point
	Hines Creek
	Onoway
	Ryley
British Columbia	Harrison Hot Springs
	Matsqui
	Fruitvale

Inquiries of the Ministry

TRADE

ECUADOR AND BRITISH GUIANA—INQUIRY AS TO EXPORT CONTROL MEASURES

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Prime Minister whether, in view of the statement reported to have been made yesterday by the Associate Minister of National Defence that the governments of Ecuador and British Guiana are now communist, the government has put into effect any measures for the control of exports to these countries?

Right Hon. J. G. Diefenbaker (Prime Minister): I have not seen the alleged statement. All I can say is that the view as to these two countries, alleged as having been stated by the Associate Minister of National Defence, is one that would not induce the government to impose what is suggested by the Leader of the Opposition.

Mr. Pearson: As a supplementary question, does the Prime Minister's reply mean that he accepts the statement of the Associate Minister of National Defence?

Mr. Fulton: He has not seen it.

Mr. Diefenbaker: I think I have made it perfectly clear where I stand in that regard.

Mr. H. W. Herridge (Kootenay West): May I ask the Prime Minister a second supplementary question. In view of the fact that Prince Philip yesterday brought the greetings of Her Majesty to the legislature of British Guiana and wished them well in all their efforts, would the Prime Minister make inquiries to see whether the Associate Minister of National Defence has been correctly reported?

Mr. Diefenbaker: Mr. Speaker, I am glad to have the views of the hon. gentleman as to what is taking place in that country, and I will give consideration to the latter part of his question.

CUBA—ADDITION TO AREA CONTROL LIST

On the orders of the day:

Hon. George H. Hees (Minister of Trade and Commerce): Yesterday in my absence the Leader of the Opposition asked whether Cuba had been added to the area control list. The answer is no. As the Leader of the Opposition knows, we do not permit the export to Cuba of items on the strategic list, nor do we permit the re-export to Cuba of items of United States origin.

[Mr. Speaker.]

Hon. L. B. Pearson (Leader of the Opposition): Does the minister not feel that since the area control list includes all communist and communist controlled countries, Cuba should now be added to that list?

Mr. Hees: That would be a matter for the government as a whole to decide.

FISH—PRODUCER REPRESENTATION ON CARIBBEAN COMMISSION

On the orders of the day:

Hon. George H. Hees (Minister of Trade and Commerce): Mr. Speaker, yesterday in my absence the hon. member for Burin-Burgeo asked a question dealing with the personnel making up the Canadian salt fish mission now travelling in the Caribbean area.

The answer is that invitations to join Canadian trade missions are sent to those who have specific knowledge of their industry and its problems of export marketing. Missions sent abroad by the department are intended to make detailed inquiries on marketing problems so they can report back to the department for the benefit of the industry sector concerned.

This is exactly the procedure that was followed in the selection of the members of our salt fish mission to Latin America for the purpose of making a preliminary study of that market. The hon. member states that "Newfoundland fish buyers and exporters are on the mission". The mission included one representative of the trade from each of the provinces of Nova Scotia and Quebec.

Mr. Carter: A supplementary question, Mr. Speaker. My question yesterday was why the producers, the fishermen, were not represented on that mission. I do not think the minister answered that part of the question.

Mr. Hees: As I mentioned, Mr. Speaker, the mission is composed of representatives of the trade. Those who are selected are those we judge to be the best able to report back in a constructive manner to the industry for the furtherance of increased sales of those products in the area.

I shall be glad to discuss this matter with the hon. member after the orders of the day if he wishes to pursue it.

PUBLIC SERVICE

AGRICULTURE—REPORTED ATTITUDE OF INFORMATION OFFICIALS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, may I direct a question to the Prime Minister and ask whether he has seen the report to the Minister of Agriculture containing

charges that some members of that department are reticent in supplying information to the public except under direction from above, while others take a public be damned attitude, as contained in a survey made by Mr. Harry M. Halliwell—

Mr. Diefenbaker: What is the date?

Mr. Chevrier: It is in the *Globe and Mail* of February 9, which I send over to the Prime Minister now. I should like to know whether the Prime Minister has any comment to make in connection with this report.

Right Hon. J. G. Diefenbaker (Prime Minister): I will have to examine the report to ascertain what was said before making any comment. The Minister of Agriculture has been laid up, as the hon. gentleman knows, for almost three weeks and is confined to bed at home. When he returns no doubt this can receive attention.

Mr. Chevrier: May I ask a supplementary question. The question was asked because the report has been made public, and I wonder whether the Prime Minister would not also look into this other matter which is contained in the report. That is, does the report in fact contain a finding that a situation such as is referred to therein is intolerable in a democratic government, and especially so in a department responsible under law for the gathering and dissemination of information in the public interest? I wonder whether the Prime Minister would also look into that aspect of the report which is said to have been made to the Minister of Agriculture.

Mr. Diefenbaker: Mr. Speaker, I will give consideration to that. I have not seen this report. Apparently there was some examination of the department and suggestions were made. What the hon. gentleman quoted from was the report prepared by the party who looked into the general situation regarding information. Similar inquiries, of course, have been made into various departments by the Glassco commission.

ACTIVITIES OF EXECUTIVE ASSISTANT TO MINISTER WITHOUT PORTFOLIO

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wonder whether I may direct a question to the Minister without Portfolio, the hon. member for London (Mr. Halpenny), and ask the minister whether his executive assistant, Mr. George Mitches, is the same George Mitches who holds the position of returning officer under the Canada Elections Act and whether, if this is so, the minister feels this is compatible with the sense that we have with respect to the conduct of elections.

Hon. G. E. Halpenny (Minister without Portfolio): Mr. Speaker, I found out about this yesterday. I was under the impression that he had resigned some seven months ago, but his resignation has gone in this morning.

NATIONAL DEFENCE

REQUEST FOR GOVERNMENT POLICY RESPECTING NUCLEAR ARMS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Prime Minister. Has the Prime Minister noted the report in the *Globe and Mail* of February 9 stating:

> Canada has been asked by the UN—this before April 1 and well before a general election—under what conditions she might commit herself not to accept nuclear weapons on home territory.

Is the Prime Minister in a position to give the house any comment or information that would help in regard to this report?

Mr. Speaker: Order. There have been a number of questions relating to this particular policy and I have indicated my view previously, that the questions relate to an important matter of policy which hon. members, in accordance with our practice, should not expect to be declared in answer to a question before the orders of the day. It is a matter for treatment otherwise, in accordance with our rules.

KILLALA LAKE, ONT.—RADAR INSTALLATION

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to direct a question to the Minister of National Defence, regarding which notice of intent was sent to him. Can the minister inform the house whether a radar installation at Killala lake in northwestern Ontario is under construction or being planned?

Hon. D. S. Harkness (Minister of National Defence): The hon. member says notice of this question was given to me. If so I did not receive it. I shall have to look into the matter and give an answer at the earliest opportunity.

INQUIRY AS TO EFFECTIVENESS OF BOMARC DEFENCE SYSTEM

On the orders of the day:

Hon. Paul Hellyer (Trinity): I wish to direct a question to the Minister of National Defence

based on the report of an interview given by the associate minister in Montreal yesterday, in which he is reported as having said:

The Bomarc will provide effective defence against aerial attack if a war breaks out within three years.

My question is, when will the Bomarc become an effective defence?

Hon. D. S. Harkness (Minister of National Defence): I have not seen or read the speech given by the associate minister and I am therefore not in a position to say whether the statement alleged to have been made has been correctly reported.

Mr. Chevrier: It would not surprise you if it were?

Mr. Harkness: The whole question of the Bomarc was gone into when the estimates of the department were up for consideration. I gave a full explanation at that time, and if the hon. member wishes to refresh his memory with regard to what the situation is in connection not only with the Bomarc but the other weapons systems which we have acquired and which are capable of taking nuclear warheads, I think it would be advisable for him to reread that discussion.

Mr. Hellyer: Is the minister now informing the house that no progress has been made in connection with the Bomarc since the estimates were under discussion last year?

Mr. Speaker: It seems to me that instead of asking a question the hon. member is attempting to draw a conclusion, which, of course, he is entitled to do, but not in the form of a supplementary question.

FINANCE

ONTARIO—REPORTED INTENTION TO REMOVE LOGGING TAX

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask the Minister of Finance a question occasioned by Premier Robarts' statement yesterday that the logging and pulp and paper industries could expect an early announcement regarding the removal of the logging tax. Has the minister taken under consideration in 1962 any representations from the Ontario government to end the dual nature of the taxation on the logging industry in Ontario?

Hon. Donald M. Fleming (Minister of Finance): I have not seen the statement attributed by the hon. member to Premier Robarts. He was evidently referring to the provincial logging tax. As far as the federal government is concerned, the reference is to the federal income tax imposed on companies engaged in this area of endeavour.

[Mr. Hellyer.]

This subject was discussed at the last dominion-provincial conference and there has been continuing discussion of it between the federal government and governments at the provincial level, particularly of those provinces which have a more direct concern. I arranged several weeks ago for a conference to be held at the official level to examine the subject further, a conference to which the provinces were invited and to which the industry was also invited to send representatives. A date was tentatively proposed, but the officials of the government of British Columbia indicated that they were not in a position to attend at that time. We have asked them to suggest some later date in order that the proposed conference may proceed.

Mr. Fisher: Can the minister indicate whether there is going to be a bilateral announcement, a statement not only by Mr. Robarts but by himself?

Mr. Fleming (Eglinton): I do not understand what the hon. member means by "announcement".

Mr. Fisher: My question is this. Premier Robarts has indicated an early announcement. Is the minister prepared to indicate whether he is going to be sharing that announcement with Premier Robarts?

Mr. Fleming (Eglinton): There is no particular announcement, Mr. Speaker. It is within the power of the premier of the province to make a comment whenever he thinks it proper concerning the provincial logging tax. That is, after all, a provincial tax. As to the federal tax, I do not contemplate any announcement.

I hope this conference can be held soon. I hope the province of British Columbia will be able to be represented at it on the official level and that we can have fruitful discussions, because it is a matter that requires a joint approach on the part of both the federal and provincial levels of government. The whole question relates to the tax position of this industry in respect of both federal and provincial taxation.

REPORTED U.S. COMMENT ON EXCHANGE RATE

On the orders of the day:

Mr. John R. Matheson (Leeds): Mr. Speaker, may I direct a question to the Minister of Finance. Has the minister any comment to make concerning the warning voiced by the United States under secretary of the treasury, reported in today's *Gazette* under the headline "Dollar Continues Lower Despite Fund Support", against manipulation of the exchange rate—to quote the article—"through which one country or another can seek temporary refuge

from balance of payments disciplines by juggling its exchange rate—beggaring its neighbors—"?

Some hon. Members: Question.

Mr. Speaker: Order. The minister may wish to comment, but may I point out that what the hon. member has done is to read a report of something that took place outside the country and ask the minister whether he wishes to comment on it. I have no doubt that a question could be asked about a matter of that kind; therefore I do not propose to declare the question out of order. I am, however, attempting to suggest to hon. members that when a public issue arises which they consider to be a matter of urgency and of the administrative responsibilities of a minister it ought to be framed as a specific question for information and not merely as an invitation to comment.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, with great respect, on the point you raised, yesterday a question was asked by an hon. member on the government side of the house inviting the Prime Minister to comment on a statement made by a United States senator. That was considered, I gather, quite in order and comment was made at some length. Certainly that is parallel to the question just asked.

Mr. Speaker: I may be in error about this, but my point is that it seems to me if we were to allow questions on statements made around the world on various matters in the form "would the minister care to comment", it would open the door to unlimited inquiry; but where the subject matter is something that falls within the administrative responsibilities of the minister—and the exchange rate does, of course, in the present instance—and if it is an urgent matter it may be brought before the house as the basis of a question. My intervention is in the interest of seeing that questions are asked as questions seeking specific information and not general invitations to comment on what other people say.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, if I may treat the question as one relating to the subject matter of the exchange rate rather than as being asked to comment on something that has been attributed to someone else in the press, I would be glad to comment on the subject matter of the exchange rate and the steps the government has been taking in that regard.

It is not fair to call the Canadian rate a manipulated rate. That, I think, is an opprobrious term, and it is quite unfair. The policy the government has followed in regard to the exchange rate and the external value of the Canadian dollar is well known, and we have made known month by month the extent of the net transactions of the month through the foreign exchange fund in purchases and sales.

I may say, Mr. Speaker, that since June 20, 1961, the date of the last budget when the present policy was announced, the exchange value of the Canadian dollar has moved within a narrow range, and the operations of our exchange fund on each side of the market have approximately balanced out. At the close of business on January 31—these figures will be announced in the regular course today—our official holdings of gold and United States dollars were $1,922 million. At the end of May, 1961, the last publication date before the June budget, our holdings were $1,949 million. Thus, apart from the sum of $50 million which we lent from our reserves in August and September as part of a general move to provide support for sterling, our reserves at the end of last month were within $25 million of where they stood shortly before the budget.

While there have been periods, such as in October and January, when our exchange fund has operated extensively, it has not operated in an aggressive manner; that is to say, it has not driven the rate in one direction or another. On the contrary, it has at all times responded to and moderated market pressures.

I hope, Mr. Speaker, that this statement will put an end to the kind of talk we have heard about a manipulated exchange rate.

Mr. Pearson: I should like to ask a supplementary question. Does the minister deny that the government intervenes from time to time in order to influence the rate?

Mr. Fleming (Eglinton): I think the hon. member will find the answer to his question and some additional information in the answer I have just given, when he has an opportunity to consider it. I have said that where the exchange fund has operated it has not operated aggressively. It has not driven the rate in one direction or another. On the contrary, it has at all times responded to and moderated market pressures.

DOMINION-PROVINCIAL RELATIONS

NEWFOUNDLAND—REQUEST FOR REPORT ON MEETING WITH PREMIER

On the orders of the day:

Mr. J. A. McGrath (St. John's East): Mr. Speaker, I have a question for the Prime Minister. Did the Prime Minister meet with the premier of Newfoundland and, if so, does he have any comment to make in relation to that meeting?

Inquiries of the Ministry

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I did meet with Premier Smallwood yesterday, as did the Minister of National Defence. We discussed various problems concerning Newfoundland. The meeting was most congenial, most happy, and when the outcome is announced I think it will be acceptable in every way. We discussed Pepperrell air base and various other matters that have concerned our two governments for some time. I am not in a position yet to reveal the decisions made because they require ratification on the part of both governments, but I am sure when the announcement is made it will be widely accepted and applauded as an example of that co-operation which should prevail between the federal government and the provinces.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, on the subject of co-operation would the Prime Minister care to comment on the reported statement of his colleague, the Associate Minister of National Defence, to the effect that the yellow peril is one of the most terrible threats to western civilization?

QUEBEC—REPORTED STATEMENT BY PROVINCIAL MINISTER

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to ask the Prime Minister a question. I wonder whether he has received any message from the Quebec government which has the purport of a statement allegedly made yesterday by a Quebec minister, one R. Levesque, to the effect that the federal government should "get out, vanish"?

Right Hon. J. G. Diefenbaker (Prime Minister): I think that referred to shared programs.

TRANSPORT

USE OF U.S. SECURITY GUARDS IN CANADIAN SHIPYARDS

On the orders of the day:

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, on Monday last the hon. member for Kootenay West inquired about the use of Pinkerton guards at Canadian shipyards. I have checked, and I find that last summer the hon. member for Coast-Capilano brought to my attention a protest that he had received from a constituent. I advised that it was my information that this was more properly a matter coming under the jurisdiction of the province. There do not appear to have been any subsequent representations to my department.

[Mr. McGrath.]

PENITENTIARIES

PRINTING OF REPORT OF COMMISSIONER

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Justice. Is it a fact that the most recent report of the commissioner of penitentiaries was prepared and printed by inmates of one of our federal prisons? If this is a fact will the minister accept congratulations on a laudable program, and will the program be continued?

Hon. E. D. Fulton (Minister of Justice): Yes, Mr. Speaker. The report this time was printed in Kingston penitentiary, and it is a program which we intend to continue and enlarge with respect at least to the printing of the Department of Justice.

(Translation):

BRIDGES

JACQUES CARTIER AND VICTORIA BRIDGES, MONTREAL—INQUIRY AS TO TOLL CHARGES

On the orders of the day:

Mr. Maurice Johnson (Chambly-Rouville): Mr. Speaker, I should like to direct a question to the Minister of Transport.

Has the premier of Quebec replied to his recent letter containing a proposal that, in the event of Quebec accepting the abolition of tolls on the Jacques Cartier and Victoria bridges, the maintenance of these bridges be provided on a shared-cost basis?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I received a reply to the first letter I wrote to Premier Lesage. In this reply he asked for fuller particulars regarding the federal government's proposal. I answered that letter and I am now awaiting his further reply.

An hon. Member: He had better hurry.

[*Later:*]

On the orders of the day:

Mr. Gerard Loiselle (St. Ann): Mr. Speaker, further to the question put previously to the Minister of Transport, could the minister tell the house whether there has been any progress in the discussions between the federal government and the city of Montreal concerning tolls on the Jacques Cartier and Victoria bridges?

Hon. Leon Balcer (Minister of Transport): I have not yet received a reply from the mayor of Montreal.

TRANSPORT

MATANE-STE. ANNE DES MONTS, QUE.—BRANCH LINE CONSTRUCTION

On the orders of the day:

Mr. Alfred Belzile (Matapedia-Matane): Mr. Speaker, I should like to direct a question to the Minister of Transport.

Could the minister tell the house whether legislation will soon be introduced concerning the Matane-Ste. Anne des Monts railway?

Mr. Chevrier: That is already on the order paper.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I know that my hon. friend has always been interested in that project and I am pleased to announce that legislation will be put on the order paper forthwith.

Mr. Pigeon: It will not take twenty-two years.

(Text):

DISABLED PERSONS ACT

AMENDMENTS TO INCREASE PAYMENTS AND ALLOWABLE INCOME

The house resumed, from Thursday, February 8, consideration in committee of the following resolution—Mr. Monteith (Perth)—Mr. Martineau in the chair:

That it is expedient to introduce a measure to amend the Disabled Persons Act to increase to sixty five dollars per month the maximum amount of allowance in respect of which payments may be made to the provinces under the provisions of that act, and to increase the total amount of allowable income, inclusive of allowance, by one hundred and eighty dollars a year in the case of an unmarried person and three hundred and sixty dollars a year in the case of a married person.

Mr. Peters: I should like to say just a few words on this disability pension program, Mr. Chairman, and I wish to do so clear of the garbage that appeared to be thrown into this discussion yesterday in the form of election proposals. I faintly heard an interjection by an hon. member, and if he wishes to repeat it I shall be happy to take up the argument that was taking place yesterday. If he does not wish to do so, that suits me fine, because I should like to discuss the disability pension itself.

I agree with the hon. member for Hamilton South who yesterday pointed out that disability pensions were very important, in that the recipient received more than just a subsistence allowance. In many cases the receipt of this pension enables the disabled person to take his place in the community when he would otherwise be dependant on his family or on the community. This pension does allow those over 18 years of age to qualify to take their place in the community. I suggest that this possibility might be further extended if the minister could give consideration to some of the limitations connected with this particular pension.

Now, Mr. Chairman, in order to qualify for a disability pension one must prove that he is totally and permanently disabled. This means, in ordinary language, that the person must have one foot in the grave and the other one must be very close to it without any chance of recovery. I believe this fact limits the extent to which this pension could apply, and limits the social advantages that might be derived from the pension if the restrictions were not so stringent. I believe that some people who are suffering from cancer, and who are incapable of working, should be able to qualify for this pension. It is true that in some cases there is a possibility of recovery, but this sometimes turns out to be merely a hope rather than a fact. Such people might derive some advantage from this pension.

The same situation applies to people who are suffering from arthritis and rheumatism. While it is true there may be a cure for arthritis and rheumatism, the damage done to the patient by the disease often means he is totally incapacitated after the disease has been arrested. I can only speak of the province of Ontario, but the clause in the act relating to the totally and permanently disabled means that many people who should be able to obtain this pension are denied its benefits. I think the minister should give consideration to amending this particular clause, because in my opinion it has worked a hardship in a number of cases.

Yesterday we heard a great deal about social justice and this so-called social security scheme. Another limiting factor in connection with this particular pension is the situation where a man may be totally and permanently disabled and would be able to qualify for the pension except for the fact that his wife has a job. In this case it is impossible for him to obtain this type of assistance. I cannot for the life of me see what difference it makes whether or not a man's wife has the initiative and ability to go out and work in so far as his receipt of the disability pension is concerned. Certainly, according to our legal interpretation of dependency, it has not been necessary for a wife to support a husband. There have been some cases of disagreement as to whether or not the rule should work the other way and the husband should have to support his wife. Certainly it has not worked in reverse.

In this connection I should like to cite a letter I received, which says in view of the fact that Mrs.—I shall not use the name—is employed, the income may be in excess of the ceiling imposed by the act for a married applicant. In this particular case the man has no job. He is bedridden as a result of arthritis, but his wife has a job in the telephone exchange. She is doing what she can to keep the household together. It is a fact that if she were to stop working tomorrow the husband could qualify for this pension, but he certainly could not keep his wife on $55 a month or even the $65 he will receive after this amendment. His wife will have to continue to work, which means that this man is dependant on his wife for his very existence, and this fact is known in the community.

I feel this situation is damaging to the morale of those people who are disabled, because if they could obtain the pension they could take their position in the community without being dependant on their wives for their daily bread. I do not believe the income earned by the family jointly, or by the wife, should be considered as income of the husband who is making application for a disability pension. His disability should be sufficient to enable him to qualify. The wife cannot stop working, because the family has to be supported. There is no additional allowance given to the wife, and I think this is a limiting factor which should be eliminated at the suggestion of the federal government.

The minister spoke about setting up a welfare council. One of the duties of this welfare council no doubt will be to consider the means by which we can reintroduce disabled persons into a useful life. I am sure everyone will agree that if we could pay the disability pension it would help a disabled person to take his place in the community without being dependant on the community. I think the people are truly desirous of having these disabled people return to work. However, it has come to my attention that the ceiling on income is so low that a disabled person cannot possibly be employed without losing his pension.

I shall give a particular example of a person who is disabled. He is not so bright mentally as some people, but I do not imagine he would be classed in the lowest bracket of mental advancement. He applied for a job in a bicycle shop where there was an opening for a man to fix tires and repair bicycles during the season when that is applicable in northern Ontario. The job could not have lasted more than six months. The man who employed him has been employing disabled people for a number of years. He is very sympathetic toward them and has even employed disabled persons who have to use wheel chairs. In some cases the people he has employed were considered unemployable for many years.

In the particular case which I refer the disabled man asked for $12 a week, and the employer said he would not pay him $12 a week as he did not consider it sufficient. He said he would hire him on a temporary basis and pay him $25 a week, which was the minimum he considered proper on grounds of public opinion and for other reasons. I should state that the employee first established his disability pension in 1956, and he was employed in the bicycle shop from May 8, 1961 to September 20, 1961. Then, before he was laid off, an investigator came to him and said "By such and such a date you will have earned so much money that you will be over the $750 allowed; therefore we will have to get back an overpayment of $110 from you".

Now, Mr. Chairman, that may be true. The act says that a person is not allowed to make over $750 but I feel this man could have been employed for a year at less than $750, or employed for six months and allowed to earn the $750. However, the department took away his disability pension and instigated an action against him to get back the overpayment of $110. They left the man without his disability pension and without a job, and he is now on municipal relief receiving $46.35 a month. If on $55 a month he could not pay back the $110, how in thunder do they expect him to pay it back on the $46 which he receives in municipal welfare?

I do not particularly want to pursue this case, except to say that the employer also hired a person in a wheel chair who was afflicted with arthritis. The employer taught him how to keep books and established him as an accountant. This man had not worked for over 20 years, but when this employer hired him he worked in the plant for a number of years until he finally broke his neck by falling out of his wheel chair. That man told me that the mere fact he was able to get the job meant for him the difference between wanting to live and not wanting to live. It was not the money that was his sole concern, it was the fact that somebody would give him a job.

I believe this employer should be commended for his efforts in trying to rehabilitate disabled persons, but as long as we maintain a ceiling on earnings which makes it impossible for that employer to pay even a minimum wage, then he is going to be very sceptical about employing others. In

fact he has said that he will not employ disabled people any longer in any of his shops, for the sole reason that he does not want to get into the position of being accused of helping them to lose their disability pensions. In the case I mentioned, the fact that he paid the employee more than the minimum meant that the man lost his pension. I suppose his pension can be re-established, but to me it seems very unfair and I believe the provisions of the act should take into consideration the wage that would be paid under the minimum wage act.

If this employee were a woman in Ontario the minimum wage law would apply, and an employer could not pay an amount of money which would permit the employee to remain at work and still receive the minimum wage. There are certain jobs which a person's mental capacity will allow him to do, and I believe this should be a consideration of the government.

Certainly every disabled person in the country appreciates the fact that this additional $10 will be paid, but I believe that the minister, if he really believes in social justice, about which we have been hearing so much, should consider allowing an increase in the ceiling upon earnings of people in receipt of disability pension. This is very important and has been important in regard to other pensions. The minister can turn to his colleague the Minister of Veterans Affairs, and he will find that department has done a great deal in relation to the employment of people who are receiving total disability pensions under the veterans affairs legislation. That department has felt that even though a person is considered to be unemployable he may be able to do certain types of work.

I should now like to refer to one person for whom people in northern Ontario have a great deal of respect because of the courage she shows. She is a young lady who often appears on television programs in the town of North Bay. She is badly crippled by arthritis and rheumatism. She can hardly get around, yet she has been able to conduct a program on television and has been able to impart to others some of her own cheerfulness and vivacity. Her courage is obvious to those who know of her disability, and she has been able to give a great deal of encouragement to all those who are similarly afflicted in that area.

I am not aware what her earnings are, but if they appear to be more than would be allowed by the department, consideration should be given to the problem. That is one very exceptional case, and I believe that in this and similar cases the earnings limit of $750 should be removed. As members in the House of Commons well know, there are those in our ranks who are disabled, and it is my contention that disabled persons should at least be allowed the opportunity to become fully employed, even at the minimum amount of money, because of the rehabilitation effect which employment has on them. The minister may not be prepared to do it today, but I hope that in the very near future he will give consideration to removing the ceiling, and also the regulation that makes it necessary for a wife's income to be considered in giving to the head of the household a disability pension on his own behalf.

I hope the minister will give consideration to these matters, and will also review the clause that demands that a person be totally and permanently disabled. I say this because many of our citizens are in a position now to expect and demand assistance but their doctors cannot certify that there will not be a new medical discovery tomorrow that will make it possible for them to recover at least to a partial extent. The minister is giving consideration to this matter; he has mentioned that he has set up a council that will discuss these things. I hope he will take these questions into consideration when the subject is raised again for discussion.

Mr. McCleave: Mr. Chairman, may I draw an anomaly to the attention of the Minister of National Health and Welfare who has put this resolution before us. It concerns people who may be in hospitals or public institutions and who are disabled persons within the meaning of the act, yet there is a disparity between their right to this allowance as compared with old age assistance or assistance to blind people who are perhaps under similar conditions in these institutions.

The anomaly is this. While the payments may contine under the Old Age Assistance Act and to blind persons, under certain circumstances these payments are not made under the disabled persons allowances act. This was recently considered at some length at a meeting in Truro, Nova Scotia, of the municipal home superintendents and matrons of that province. I do not want to take up the time of the committee unduly, but the sections of the act which create the problem are sections 21 and 22. Section 21 says that subject to section 22 an allowance shall not be paid during the period that a recipient is a patient or a resident in a hospital, nursing home, infirmary, home for the aged, an institution for the care of incurables, or a private charitable or public institution.

Then section 22 sets out certain conditions under which the payments may be made, but it is not a blanket form of payment available to all disabled people who find themselves in

the institutions I have mentioned. This seems to me to be an anomaly which creates a certain bitterness, or at least dissatisfaction. A disabled person feels that his plight is at least as serious as that of a person who is blind or a person who requires old age assistance. My suggestion—while the resolution does not specifically cover this—is that this anomaly should be considered by the new national council on welfare which will be established.

There is another point I should like to make. I am sorry I did not have an opportunity to make it last night when that paragon of perpetual attendance in the House of Commons, the hon. member for Bonavista-Twillingate, was here. He is not here this morning. I was interested to note that in his lengthy discourse at no time did he mention disabled persons, although this was the subject of the debate before us. I had occasion previously to say that 90 per cent of his compassion was directed to the old Liberal party and 10 per cent to those in need. I would say that last night he reached 100 per cent compassion for his party.

Perhaps he has been communing with the premier of Newfoundland, who must also have been dissatisfied that the hon. member for Bonavista-Twillingate seems to have transferred his affections to the premier of Quebec. No doubt this will be righted and the hon. member for Bonavista-Twillingate told where his benefaction does come from.

Mr. Carter: Mr. Chairman, I had not intended to participate in this debate, but I cannot let the remarks just made by the hon. member for Halifax go on the record without a reply. The hon. member for Halifax has pointed out that the hon. member for Bonavista-Twillingate, who is unavoidably absent today, devoted very little time in his speech to the disability feature of this legislation.

Mr. McCleave: None at all.

Mr. Carter: I wish to point out to the hon. member for Halifax that the example for that was set by the minister himself. The minister spent about two minutes speaking on the resolution itself and the rest of his speech, about 20 or 30 minutes, was devoted to the Liberal social, old age pension plan.

An hon. Member: And the Prime Minister.

Mr. Carter: A further example was set by the Prime Minister yesterday afternoon, when he did not deal with the disability pension feature at all and did not devote any part of his speech to the subject matter of the resolution but initiated a wide open debate on the whole subject.

[Mr. McCleave.]

Mr. McCleave: It was the Leader of the Opposition who did that.

Mr. Carter: If the hon. member for Bonavista-Twillingate was not in order he had two excellent precedents, one set by the minister who introduced the resolution and the other by the Prime Minister himself.

While I am on my feet, Mr. Chairman, I want to ask the minister a question about something which has always bothered me in connection with this legislation. We are initiating here a measure which will apply to disabled persons all across Canada from St. John's to Vancouver. The hon. member for Timiskaming has already pointed out that there is one problem in connection with this matter, which is that to qualify for this pension a person must be considered to be permanently disabled.

It is very difficult, in the light of advances in today's medicine, for anyone to determine when a person is permanently disabled. I think the federal government should modify this requirement in the light of scientific advances in medicine, and make it applicable to a person who has been disabled for a certain length of time. I say this because a person has to eat whether he is disabled for one year or for the rest of his life, and the purpose of this legislation is to help people who are in need; it is to take care of their need. I suggest that this measure should be adjusted to make the need the governing factor in the administration of this legislation.

The second problem that bothers me, and the second question I wish to put to the minister, is this. This legislation is administered by the provinces, and in particular it is administered by boards set up under the auspices of the provincial health departments. This means that we have ten separate boards in Canada from St. John's to Vancouver, one for each province. How, then, do we ensure that a person in St. John's gets exactly the same treatment as a person in Vancouver? What criteria, if any, are we setting up for the guidance of these boards in order to avoid disparities in cases of this kind? I have the uncomfortable feeling that a person can qualify for benefit under this act in one province whereas, though he might be suffering from exactly the same condition, he would be disqualified in another. I think that is something we should seek to remedy, and I ask the minister when he replies to tell us what we are doing along these lines.

Mr. Matheson: Yesterday we had an example in this matter, which might have taken a very short while, of the minister and the Prime Minister both making a real effort to introduce into this debate a partisan note that

perhaps has not been heard this session. The Prime Minister, indeed, touched on almost everything but the issue before the house. He was like a hockey player who did not care whether his stick touched the puck as long as it touched a lot of other people in the game and even outside the game.

I ask this committee to consider, before we end this debate, whether there can be some responsible reply from the minister as to how this important matter is to be financed. We on our side believe that this amount of additional payment is not adequate. At the same time we believe that an adequate scheme has got to be paid for. There has not yet in the course of this debate, to my knowledge, been any suggestion whatsoever as to how Canada, with record deficits piled up over these past four years, is going to finance this important project.

I submit there is something vulgar, immediately prior to a general election, in using some of the senior people, who have done so much to enable those of us who are younger to start out in life with fine opportunities, as pawns in a political game. Some of these people who will be receiving pensions on account of disability and old age are people who remember paying for things when those things were due.

On our side we have earnestly put forward a scheme which was the result of many months of research by experts, as we believe, and which was to some extent the aftermath of the study of the Clark commission report. But there were many interjections yesterday from the minister, when again and again he asked the Leader of the Opposition and the hon. member for Bonavista-Twillingate, "What would you cut out?" I do not find these interjections appearing in *Hansard*, but we remember them. The only possible inference was that if we were going to be responsible and balance the budget we were going to have to cut out some payments; or, alternatively, that the payments could not be made.

I put to the committee that there is an alternative, and the alternative is the theory of growth; the theory that this country can go places, the theory that in the field of social security we have not reached the end of the line by any means that we are, in fact, part of an affluent society and that our capacities in the fields of production, technology, the service industries and so on vastly exceed our consumptive capacity and that as time goes by we are therefore going to be able to provide better living for many people providing that people are not wasting their lives in unemployment and that people's services are used until a reasonable time of life. That may well be, in the future, to the age of 55 or even younger. Maybe we shall be working a substantially shorter week.

It is only if we have a theory of growth that this will happen. It is time we started thinking in terms of a greatly enlarged productive capacity which would be possible for Canada if we have not this great waste of human resources, the wasted years in Canada. The lack of growth which we have experienced is at the root of many of our problems. I would remind this committee that the Gordon commission report of November, 1956 was a study of Canada's potential as it then appeared to a variety of people across Canada. I think it is fair to speculate that the chairman to that commission, who now appears as politically partisan, and many people who appeared before that commission had no reason to think in November, 1956, and before that, that the then Liberal administration would be defeated. Their prediction was honest, fair and reasonable; yet with respect to all their expectations for these last four years we have failed to reach a reasonable accomplishment. If we think of output in general terms, if we think of the average output per individual, gross national expenditure, personal consumption expenditure, of growth factors, capital formation, of government expenditure, of exports and imports or of consumer expenditure, what do we find? Only in the field of imports have we reached expectations of those years.

In the budget debate of some months ago I raised some questions which to me were relevant to this whole question of where we are going, particularly in connection with this matter which we are debating now. The question at that moment was how we were possibly going to finance the kind of exchange manipulation then contemplated. That is the only word which I think can be attributed to the exchange policy; this has been the expression used by Mr. W. Earle McLaughlin and a number of financial editors who have considered what took place during the last year. I put to the house the proposition that we could pay for this only in one of three ways, either by taxation or by borrowing or by printing.

I put to the committee the same question today. How are we going to pay for this additional expenditure? It is not a contributory plan as suggested by the Leader of the Opposition and by many business experts across the country and many authorities in the United States and Britain. How are we going to pay for this? We have three ways of paying for it, the same three ways; either we tax for it or alternatively we borrow or, third, we print.

I ask hon. members to consider, when we look at the returns we have had in this house to certain questions—for instance, the return that was given on January 29 with respect to the total currency of chartered bank deposits—whether that is not exactly what this government intends to do, to print for it. We have had no suggestion from the other side as to how they are going to pay for this scheme. I think this is a responsible, urgent and important question. Let us not fail these good people, either disabled or old. The hon. member for Stormont yesterday began to read to the committee a little scripture. May I refer him to the book of Haggai, chapter 1, verse 6:

> —and he that earneth wages earneth wages to put it into a bag with holes.

I invite the minister to consider all the implications which may result from simple spiral inflation unless the government is prepared to come to grips with its responsibilities before we go to the country. The government will have to accept reality and take the position of saying, "Yes, there have to be larger payments, and this is where they are coming from".

We cannot anticipate the budget debate in this discussion. However, let me make clear that in the opinion of hon. members on this side of the house these grants are not nearly sufficient to meet the current needs of many people who are caught in the problem of increased living costs, the problems attendant upon urbanization and curtailed employment. I invite the minister's attention to the book of Luke, chapter 14, verse 28:

> For which of you, intending to build a tower, sitteth not down first, and counteth the cost, whether he have sufficient to finish it?

Within the next few months the people of Canada must decide in whom they will repose their trust for the crucial five year period ahead. It is important that the government adopt a responsible attitude at this time.

Many people experience difficulty in making application for disability pensions. The pride of some people is such that they have difficulty putting themselves in a position in which it appears to them they are asking for a handout. It is one thing for a man disabled in service to his country during war to receive assistance. He has had the honour of serving in Her Majesty's forces, of wearing the uniform of his country with dignity and pride. But it is another thing for a farmer or workman to have to request assistance. In my constituency I recently had the experience of assisting a man from Belgium who was in financial difficulties and unemployed. He had sent his daughter

to university and was now in the dreadful position of requiring assistance. He was one of the 980-odd unemployed in Brockville now seeking employment. His pride made it difficult for him to accept help. He said he would rather sell his home and go back to the country of his origin where he could secure employment.

I have letters from many disabled people. These are proud individuals who do not wish to beg. The suggestion was made last evening by an hon. member sitting to my right that questions of this nature should be taken out of the realm of politics. I subscribe to that. To play politics with a question of this nature is shameful and disgraceful.

The situation would be made easier for applicants for disability pensions if there were a medical board which could examine the individual and give an expert opinion as to his or her position. The limitations and handicaps of the people should be considered. Sometimes these limitations are internal, psychological and deep rooted. Many disabled Canadians have too much pride and courage, and an inherent sense of dignity to make application because of the implications of so doing. It is an evil and base practice that an aura of politicking should surround situations of this type. There has to be a certain degree of co-operation between provincial and federal representatives in matters of this kind and this co-operation should be on a completely non-political basis.

I have spoken at greater length than I intended. In concluding let me say that we on this side of the house will support this measure although we do not feel it is adequate. We are concerned at the government's failure to meet problems of this type realistically. We disapprove of the government's practice of applying ad hoc solutions to burning social problems. We in the Liberal party feel that Canada enjoys a growing, expanding economy. We feel that Canada has never had as great opportunities as lie before us today if the government would show more concern over policy than politics.

We in this party and the people of Canada would like to know what the government is going to do in this regard. It would appear from the statement made by the minister yesterday and from the remarks of the Prime Minister that the government is still not thinking in terms of Canada's potential for growth and expansion.

Resolution reported and concurred in.

Mr. Monteith (Perth) thereupon moved for leave to introduce Bill No. C-62, to amend the Disabled Persons Act.

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: When shall the said bill be read a second time?

Mr. Churchill: Later this day.

Mr. Monteith (Perth): Would it be possible to take second reading later this day, Mr. Speaker?

Mr. Deputy Speaker: Does the house give unanimous consent to taking second reading of this bill later this day?

Mr. Hellyer: We would agree to that, Mr. Speaker.

Mr. Deputy Speaker: By leave.

Mr. Churchill: Under those circumstances, Mr. Speaker, perhaps we could proceed to deal with Bills Nos. C-55 and C-56 standing in the name of the Minister of National Health and Welfare, and then take second reading of this bill.

Mr. Deputy Speaker: Does the house concur in the proposal made by the house leader?

Some hon. Members: Agreed.

Mr. Hellyer: Mr. Speaker, may I inquire whether the bill has been circulated? We wish to consider the bill before proceeding, and would not wish to have second reading taken up so early in the day that we would not have an oportunity to scrutinize the bill carefully.

Mr. Deputy Speaker: I understand that the house leader has given the assurance that the bill will be available for consideration.

OLD AGE ASSISTANCE ACT

AMENDMENTS TO INCREASE ASSISTANCE AND ALLOWABLE INCOME

Hon. J. W. Monteith (Minister of National Health and Welfare) moved the second reading of Bill No. C-55, to amend the Old Age Assistance Act.

He said: Mr. Speaker, there are certain aspects of the amendments now before the house which I believe warrant some further explanation. As hon. members will see from the bill, we are proposing to re-enact section 3(1) of the Old Age Assistance Act to permit an increase of $10 in the monthly maximum payment available to senior citizens in the age groups 65 to 69 who are in need. This increase, as is the case with the existing amount, will be shared on a 50-50 basis by the federal and provincial governments if the latter give their assent to the present amendment.

Changes are also proposed in section 3(2) pertaining to income ceilings allowable in establishing eligibility for old age assistance. As I indicated at the resolution stage, these ceilings are being raised beyond the point necessary to permit recipients to benefit fully from the higher maximum pension level. This means, in effect, that recipients will henceforth be in a position to have greater earnings without having their benefits reduced.

I might spend a few moments in outlining the effects of these changes. As the resolution indicated, allowable income ceilings are to be raised by $180 a year in the case of an unmarried recipient and by $360 a year in the case of married couples. For example, an unmarried recipient who is presently allowed to have $960 a year, including assistance, will be permitted a total of $1,140 a year. This will be made up of $780 in assistance payments and $360 in outside income. Under existing provisions the maximum outside income allowable without reduction in assistance is $300, which means that with approval of this amendment a recipient will be able to earn 20 per cent more than at the present time. The thinking behind this increase is, of course, to encourage individual initiative wherever possible so that the higher assistance rate may be supplemented by higher earnings.

In the case of a married couple, the maximum allowable income is now $1,620 a year including assistance. This is to be raised to $1,980 a year. With married couples, one spouse or both may be eligible for assistance. If one is eligible they can, of course, receive $780 by way of assistance but can have as much as $1,200 a year in outside income before there is any reduction in the assistance payable. Under present provisions their outside income is limited to $960. If both spouses are eligible they will be able to receive $1,560 by way of assistance and $420 by way of outside income. Under present provisions their outside income is limited to $300.

In the case where one spouse is blind the income ceilings are higher. Such a couple may in future receive as much as $2,340 a year in total income including assistance as against $1,980 under present provisions. Where one spouse receives old age assistance and the other a blindness allowance they will be able to receive as much as $1,560 a year by way of benefit, and to have in addition as much as $780 a year in outside income. The corresponding figures at present are $1,320 and $660 respectively.

Section 2 provides for an effective date of February 1, 1962, as far as the federal government is concerned. Since the old age assistance program is a joint undertaking with the provinces the latter will, of course, have to come to a decision to implement these changes in their own jurisdiction before the changes can become effective.

To this end, when the resolution preceding introduction of this bill was presented to

the house I wired each of the provinces informing them of the nature and scope of the proposed changes. Subsequently, when the bill was placed before the house copies of the same were immediately sent out to the provincial governments. We are, of course, hopeful that all will accept the present amendments, and when they do my department will do everything possible to assist in the revision of the agreements which form the basis for old age assistance payments in each province.

Assuming that all 10 provinces and the two territories decide to implement these changes, the added expenditures involved in so far as the federal government is concerned will be of the order of $7.2 million over the next 12 month period. This will bring our total annual outlay for old age assistance to an estimated $37.8 million.

There is one further point. While the lower age limit for this program under existing legislation is 65, there are people who are prematurely aged and also widows and spinsters in the age group 60-64, for example, who may be in circumstances where they need financial assistance. In such cases I would emphasize that although persons in these categories cannot qualify for old age assistance they are eligible for assistance, if in need, through provincial programs in which the federal government shares half the cost under the Unemployment Assistance Act. In this connection I think of recipients under the widows' allowances program in Alberta, who some years ago were brought within the federal-provincial sharing arrangements under the Unemployment Assistance Act. In addition, the recently introduced provisions for widows and spinsters in Quebec provide a further illustration of how this joint measure can be helpful in meeting the cost of payments to these persons who are in need. In other provinces social assistance for widows and spinsters has not been designated as a specific program in provincial legislation in the same manner. But there again social assistance is available to such persons when in need, with the federal government paying half the cost of payments made.

Hon. Paul Hellyer (Trinity): Mr. Speaker, the Liberal party will, of course, support this measure which is based on a bill that was introduced by the previous Liberal administration. The increase being proposed is essential. It will help to some extent to compensate for the continuing rise in the cost of living and the continuing rise in municipal, provincial and federal tax levels.

This particular plan of old age assistance arises out of action taken by the government of Canada in 1950, when the federal government of that day removed the means test for persons over 70. I personally campaigned for this change in 1949 because previous to that time I had come face to face with many people of advanced years who were too proud to seek assistance even though they needed it desperately. To help overcome that situation the universal pension was put into effect in 1950.

At that time, however, it was intended to be a supplement to private savings and it was represented as being a supplement to private savings, but throughout the years it has been given a somewhat different interpretation. It has come to be represented as an amount which in its entirety should, in the view of this parliament, be ample for people to live on. This, of course, was not the original idea, and it is obvious that for most people it is quite inadequate for sustenance unless the person has some other means of support. Newspapermen have attempted to live on the old age pension and have demonstrated its inadequacy as a result of their experience. Of course it is inadequate for people who have no private savings. On the other hand, for people who do have private savings it is in many cases superfluous.

In the process of evolution the whole subject of pensions has become a political auction. I was very much impressed by the speech by the hon. member for Leeds a few minutes ago, who put this matter in perspective. We should not be required to deal in a political way with the lives of the senior citizens of this country. It is a retrograde step, and most unfortunate.

Notwithstanding the changes that are now before us the payments are still not going to be adequate to meet the needs. This was demonstrated by the minister himself when he spoke a few minutes ago. He said there are many widows and spinsters between the ages of 60 and 64 who are not covered by the act. In this regard he explained that in some provinces there are plans in which the federal government co-operates. I think he only mentioned two provinces, which means that in the other eight provinces and the territories there are no plans, either provincial or federal, to assist widows and spinsters between the ages of 60 and 64. The fact is that the gaps in the total program are still great.

The minister has advised that the permissible outside income of the recipient of this assistance will be increased, and this is desirable and welcome. However, the limitations are still such that if the outside income and the old age assistance were the only source of support, then in our metropolitan areas

such as Toronto and Montreal people would still be unable to exist in dignity on the amount of money provided.

It seems to me, Mr. Speaker, that unless there is some more fundamental approach we shall continue with this auction, increasing the permissible income from time to time and increasing the pension a little bit from time to time, without coming to grips with the problem in its entirety. It seems to me that is what has to be done.

We have not been advised by the minister as to how the present plans, including the one before us, are to be financed. This is an important omission. It does not take any great amount of intelligence to spend money. It takes a great degree of intelligence to introduce measures which will get the country growing again in such a fashion that social security measures can be paid for from growth rather than by increases in debt. As a matter of fact, Mr. Speaker, the attitude of the present government in this respect can be characterized as that of a second mortgage government. Rather than earning money and then spending that which has been earned, in which case there would be no interest charges to pay, the government spends the money first and has to pay interest on its borrowings. In effect they are paying twice for their expenditures. We believe it is unfortunate that the government should come to this parliament and request measures, desirable though they may be on their own merit, which are not financed from the dynamics of growth which we have come to understand and appreciate in this country in years gone by.

It is for this reason, Mr. Speaker, that the time has come for a comprehensive re-examination of our social security legislation; that the time has come for the introduction of a contributory pension plan which will enable people throughout their earning years to pay in some proportion of their annual income and, as a result, be entitled at the time of retirement to draw a pension adequate to their requirements. Such a plan would apply to widows and spinsters between the ages of 60 and 64 who are now not covered by any federal plan. This plan would also permit a greater variation, greater flexibility, in the age at which people retire, because there is a considerable difference in individual capacity. One person may, because of health or other reasons, find it necessary or desirable to retire at an earlier age than some other person. What we need is a comprehensive plan which is flexible enough to meet individual needs. It must be flexible enough to meet individual needs in such a way that the question of pride, the question of charity is removed, and so that the contributions made by people throughout their earning years will entitle them to claim an adequate pension as a matter of right.

Now, Mr. Speaker, we wish that at this time the government had introduced such a plan rather than the amendments which have been placed before us. We think the government were tardy, having had the Clark report before them throughout these years and having promised this plan in the election campaigns of 1957 and 1958, in not preparing one for introduction at this time. The measures which have been introduced are further expedients; they are further ad hoc measures. They do not meet the needs in their entirety. They leave gaping holes in the needs, and they do not meet the objections which have existed in the past such as the fact that some people between the ages of 65 and 70 are reluctant to apply for old age assistance because they are too proud to do so.

It seems to me an invasion of private rights, Mr. Speaker, when officials of the federal government come and examine a person's assets and property as minutely as is essential under the administration of the Old Age Assistance Act. A very thorough investigation is required in order to guard against the possibility of abuse. However, there are people in this country who would prefer to go without old age assistance rather than to suffer that invasion of their private lives. This I can understand. Immediately it creates an anomaly, because some people are obtaining assistance and other people, equally entitled, are not. Both are taxpayers, but they are treated differently under the law because they are different types of people. The system of contributory pensions which must be introduced will eliminate these questions of individual philosophy and will provide, as a matter of right, a pension based on the earnings and contributions made by that individual throughout his working years.

If this can be accomplished it will reduce the existing anomalies. It will eliminate the necessity for investigations into the private lives of citizens. It will eliminate a situation in which, under the Old Age Pensions Act, millionaires and paupers receive the same payment, a payment which is completely inadequate to part of the population and completely unnecessary for another part of the population. I believe such a plan would be a considerable advantage to the portability of pensions and to the real security of Canadians when they reach the age of retirement.

However, Mr. Speaker, this type of plan has not been introduced. It seems, from what the government has said, that there is no possibility of it being introduced before a federal election is called. We have no assurance that it would be introduced even if the

government were returned at the next general election, which is doubtful. In the meantime we have no alternative but to support this measure, inadequate though it is, as an improvement over the act as it has been up until this time.

Mr. Arnold Peters (Timiskaming): I welcome this consideration given to old age assistance, in that it is a justification for those requests I made during a previous discussion on disabled people. In every sense old age assistance is a welfare scheme. Therefore this increase is of value, and the government is to be congratulated on having introduced it. It means that those who are not able to work any more will be able to pick up a little bit of money to help tide them over their difficulty.

I am in agreement with the previous speaker, who said this was not considered to be a substitute for work. It certainly is not, but we have reached the stage now at which we are all in agreement that we have to develop a national contributory and portable superannuation scheme which will take into consideration the advances in our society produced by the social changes that have taken place. We should face up to the fact that in a very short period of time there has been a total change from the dependency of elderly people on their families to a dependency on the state. By our changing technocracy many of these people have no alternative but to rely on assistance from the state.

The thinking of the Canadian people has changed from what it was in my grandfather's day, when it was accepted and demanded that the sons and daughters of elderly couples should be responsible for their parents' welfare. Now it is generally accepted that it is right to pay old age pensions to all the elderly people in the country. It is no longer considered as welfare but as a pension.

Years ago the Liberals used to refer to this as a national pension program. They considered it proper to provide national pensions. They considered this to be a far reaching step in providing national pensions, but I am surprised that few of our parliamentarians are willing to give credit to those unions which pioneered in this field and created a general acceptance for a national pension scheme. I am surprised that very few of them remember it was the unions which pioneered in this field long before the politicians entered it.

Looking at the record across the country we find that many plants have fairly respectable pension schemes and are only awaiting government assistance and leadership to introduce those plans into a national scheme so they could be far more embracing than the present system under which they operate. For many years the C.C.F. party was in agreement that something should be done in that respect, and the plans that are being discussed today were outlined in this house by that party on numerous occasions. Now it is surprising to find there is very little difference of opinion in regard to those plans.

Should the political winds blow in their direction after the coming election, then it will only be a matter of one more election until a Conservative government gives a $75 pension. In fact, in the position they are in at present they are proposing that but, having been more farsighted, we saw this coming many years ago and we have been recommending $75 for a long time. In that connection it should be borne in mind that when we recommended $75 we knew there would be a limit eventually to the amount of money which governments could give under the so-called national scheme which has been in effect in Canada for a number of years. We knew that eventually consideration would have to be given to the establishment of a contributory section in the national pension scheme, and we suggested that this be done in a similar manner to the introduction of unemployment insurance.

This would mean that the federal government would administer the plan, as it does now, but it would also collect and retain the moneys that were collected on a national basis from all employees in industry and from the self-employed. These people would pay contributions to the federal government, which would hold the pension funds in trust for them.

We also believe the employers should be asked to make contributions. It is no longer possible for the average worker to accumulate money on his own for his retirement. I think, if we are to be fair, we do not expect workers or average citizens to save for their old age. If we did then we would be dishonest, because looking back over the years we can remember that a superannuation plan of 15 or 20 years ago created a maximum pension fund of $10,000, producing what would have been a fairly high standard of living in those days on $100 or $150 a month. However, that would prove totally inadequate in terms of purchasing power at present, and those who contributed to such plans now find they have only half the pensions they expected. Surely no country would intentionally do this to those who are seeking to provide their own superannuation programs.

Public thought in this country has increased to the extent that we now assume responsibility for our elderly citizens. We are now going to give increased attention to those

people who, because of their age, are no longer employable, and that is a factor which is changing very rapidly. There are many people in my own area seeking work at the age of 50, but they are not employable in terms of employers' interests. They apply for jobs, they are physically capable of doing them, but they are told they are too old. Indeed, in the mining field not only are they too old at 50 years but they are too old at 40, and some of the mines are raising their standards until prospective employees are told they are too old if they are nearing the age of 40.

The changes in technocracy and the changes in the employment picture are creating a demand for an immediate start on a contributory pension scheme, letting workers contribute from their earnings so that in many cases they will be granted an opportunity of working beyond what is now considered the acceptable age of employment. The fact that they would be contributing to a pension plan would mean their age would no longer be a factor, and would extend their employment.

This matter has been considered many times by governments in the hope that they would find a solution for the problem without getting involved in it themselves. You will remember, Mr. Speaker, that a few years ago the Liberal government, through the then minister of national revenue, circulated a statement on principles and rules respecting pension plans for the purposes of income tax. They believed at that time that if income tax deductions were allowed on plans that were properly vested, then probably the labour unions themselves and employee-employer relationships would allow for a large segment of our country to be covered by this particular means.

This was not only considered by that government; it was considered by this government. In the *Canada Gazette* of July 18, 1959 this matter was again introduced by order in council and was again tried. In both cases this was unsuccessful in establishing what would be acceptable to industry, to employees and to the income tax department as a proper method of assessment.

I hope that for the sake of the old age pensioners, those on old age assistance, for social justice and the social picture in Canada, we do not reduce this matter of national pensions to an election issue and that we are serious when we say it will be referred to a committee. I hope that if an election is not anticipated immediately this matter will be referred to a committee of the house and that we will be given an opportunity to discuss the proposals this session, not in the light of an election but in the light of deliberations in order that we may arrive at a pension plan which will be more acceptable and satisfactory to the Canadian people.

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

Mr. Herridge: One o'clock, Mr. Speaker.

Mr. Speaker: The hon. member for Kootenay West calls it one o'clock.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Speaker: Order. I must inform the house that if the hon. minister speaks now he will close the debate.

Hon. J. W. Monteith (Minister of National Health and Welfare): In closing the debate on second reading of this bill I do not think I have anything to add to my opening remarks which were explanatory of the cost of these proposals and the amount of money involved. The hon. member for Trinity (Mr. Hellyer) asked how these payments were to be financed. I simply say that this is a matter of financing, and, of course, it will be dealt with at all times by the Minister of Finance.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Chown in the chair.

On clause 1—*Agreements with provinces.*

Mr. Herridge: I had intended to be here to make a few brief remarks on second reading but I had a number of students from Carleton University wanting to be informed on the C.C.F.-New Democratic party principles and I was delayed. I kept on telling them that I must get away, and they said: do tell us more, this is wonderful. That caused me to be a few minutes late.

I did want to say, first of all, that we support this bill and welcome the improvement which it brings into the lives of those persons who rely on old age assistance. We also welcome the increase in the permissible income. I think that is a fortunate provision because it will bring within the scope of the legislation a number of people who have in the past been denied assistance because of the terms of the regulations.

However, I want first of all to say that the term "old age assistance" is perhaps not the best which could be chosen. We could use a much better term. It reminds me somewhat of the parish relief we had when I was a boy. I wonder whether the minister might consider calling this "old age security, stage 1" and

then we might have stage 2. I say this because I feel there are people who, because of the means test and because of the name itself, which, as I have mentioned, suggests charitable assistance or parish relief, may hesitate to take advantage of the assistance which is available. I offer that as a suggestion to the minister.

Before the committee stage ends I would appreciate the minister informing us just how the regulations are drafted and telling us exactly what arrangements are made for their administration. I happened to receive in the mail during the noon hour the annual report of the department of social welfare of the government of the province of British Columbia. It gives some interesting information with respect to the administration of old age security, old age assistance and assistance to blind and disabled persons, in addition to making some interesting comments. I think it would be helpful to hon. members if the minister could give us a short explanation of how the regulations are drafted, how agreements are reached with the provinces and, finally, what is the understanding as far as the provinces are concerned.

In concluding my brief remarks I wish to say once again that I hope this will be the last time we shall be asked to nibble at this legislation by passing a succession of amending acts of the present type and that in the very near future we shall be dealing with an over-all plan which will provide for the needs of all these people to an even greater extent than at the present time.

Mr. Monteith (Perth): In answer to the hon. gentleman may I say that the regulations are prepared as a result of conferences with provincial ministers. I held a meeting of provincial ministers here either in 1959 or 1960 at which time we went over many of the regulations in order to arrive at a uniform operation of the act throughout the country. Certain ministers will, of course, put forth various suggestions not acceptable to others and then it is a matter of reaching a happy compromise. The provinces operate the act completely. We simply issue cheques to the provinces upon request.

Mr. Winch: May I ask a question on this subject? Is it necessary for the hon. gentleman in the administration of this act and the regulations made in connection with it to reach complete agreement between himself and the provinces as to the terms laid down by the legislation? It is possible that some provinces may be more lenient than others in their interpretation of these regulations? As the minister knows I raised this question some time ago. Under the original regulations one had to be so incapacitated as to be scarcely able to move in order to qualify. If one could get up by oneself and go to the bathroom he was disqualified. I believe some change was made at the second meeting to which the minister referred. I agree with the hon. member for Kootenay West that the regulations are so stringent as to mean that one must almost be dead before becoming eligible.

[Mr. Herridge.]

Returning to my original question, is complete agreement necessary between the federal and provincial governments with respect to the administration of the regulations?

Mr. Monteith (Perth): Mr. Chairman, I believe the hon. member is referring to the Disabled Persons Act. We are now dealing with amendments to the Old Age Assistance Act. However, I shall be pleased to answer the question.

In each province there is a board of doctors appointed by the federal and provincial governments. The board meets and decides on cases. Periodically the doctors come to Ottawa for the purpose of achieving uniformity of interpretation of the regulations. I do not recall the month but early in 1961 such a meeting was held in Ottawa. The purpose of these meetings is to attempt to bring about uniformity of operation of the Disabled Persons Act.

Mr. Winch: Is it necessary that a person qualify under the definition of "disability" in order to receive old age assistance? Are the regulations the same in this respect under the two acts?

Mr. Monteith (Perth): In order to receive old age assistance no similar disability requirement must be met. It is merely based on a means test.

Mr. McMillan: Mr. Chairman, the minister is empowered under the act to make an agreement with each of the provinces. The legislatures of some of the provinces are not in session at this time and the provinces may experience some delay in introducing enabling legislation. This legislation also empowers the minister to commence payments on February 1. If a province experiences delay in enacting enabling legislation will the payments on the part of the federal government be retroactive?

Mr. Monteith (Perth): I suggest this is a matter for the provinces to decide. As far as they are concerned this legislation is optional. At the present time all provinces participate in the payment of $55 a month and are free to choose to participate in the payment of $65 a month. If the provinces wish to commence payments on February 1 we will co-operate.

Mr. Winch: I have received a number of letters from people who are in receipt of the burnt out pension. Is there a tie up between the two acts? I understand that a reduction will be made in what is received under the War Veterans Allowance Act. Is consideration being given to enabling recipients to receive the benefit of the increase?

Mr. Monteith (Perth): All I know about the operation of the Old Age Assistance Act is that this payment is payable to people between ages 65 and 69 who are in need of special assistance. Under the old age assistance plan we are agreeable to paying 50 per cent up to $65 a month.

May I point out that there is available special assistance over and above this under the Unemployment Assistance Act. We participate to the extent of 50 per cent with each province in that respect.

Mr. Winch: I wish to follow up what the minister said in view of the fact that the Minister of Veterans Affairs is in the chamber. If a person is drawing assistance under the Old Age Assistance Act or the Old Age Security Act between ages 65 and 70 or over, the war veterans allowance received by such person will be reduced by $10, as I understand it. Will the minister say whether any change will be made in this regard?

Mr. Churchill: Mr. Chairman, the debate is ranging beyond the scope of the bill presently before us. These questions would be more properly raised when we are discussing the war veterans allowance.

Under the War Veterans Allowance Act other income is taken into account. There is a ceiling with regard to the amount that war veterans allowance recipients may receive. Payments under pension schemes are considered part of that other income and such income has to be accounted for. Therefore, there is a reduction in the amount received under the War Veterans Allowance Act. The same is true in circumstances where a veteran's casual earnings exceed $900 a year or where his income from other assets such as property holdings exceeds a certain sum. A ceiling has been set.

Mr. Winch: Is the minister considering raising by a similar amount the allowable income received by those drawing the war veterans allowance?

Mr. Churchill: Mr. Chairman, we are now getting into the field of war veterans allowances which is beyond the scope of the bill. Let us not forget so rapidly that the war veterans allowance was raised by 20 per cent just a few months ago.

Mr. Carter: Mr. Chairman, my colleague, the hon. member for Welland, has drawn attention to one aspect of the legislation which I feel deserves further consideration. The minister told us the purpose of this legislation is to meet a need. Some payments we are making are conditonal upon the ability of the provinces to pay or match the government's increase. Certainly the need is not conditional upon the financial condition of any province. The need exists, and if it exists and if we intend to meet it, then I do not think this is the proper way of doing it. If we are prepared to pay half the cost, why do we not pay $32.50 and then every person in Canada no matter where he lives would be treated on the same basis? We now treat him not on a basis of his need but on the basis of where he happens to live and on the basis of the financial ability of his province.

I know that in my own province we are not very flush with money. Although we are poor, we cannot afford to turn this down, but the money which has to be allocated to match the government's increase has got to come from somewhere else. It has got to be paid at the expense of other provincial programs and to my mind that certainly amounts to interference in the budgeting of a provincial government and interference in the ordinary planning of their own programs. If we really and sincerely want to meet the need and are prepared to pay up to half the $65, why do we not do that and then let each province supplement that according to their ability to pay?

Mr. Monteith (Perth): I believe we are dealing with all citizens of Canada on an equitable basis in this respect. We leave it up to the province to decide whether it can afford to meet this amount of money. The $6 increase in 1957 was handled in exactly the same way, so I see no reason at this stage for bringing forward this other matter.

Mr. Carter: The fact that we do something in one way at one particular time should not mean that we have got to continue to do it that way forever. That does not seem to me to be much of an argument.

Mr. Monteith (Perth): One thing this government has never done is to follow the example set by the previous administration.

Mr. Hellyer: How inconsistent can you get?

Mr. Monteith (Perth): I would point out that in the speech from the throne it was indicated that these increases would be made, that an over-all social security plan would be brought into being and that a welfare

council would be established. These are steps in the welfare field which are certainly going to be advantageous to Canadians.

Mr. Carter: We are purporting to meet the need in this legislation. If the need exists in my province and the province cannot afford to pay its share of the increase, will the minister deny that the need is not being met?

Mr. Monteith (Perth): All I can say is that I think the province bears some responsibility in this respect.

Mr. Carter: Yes, but the responsibility that the province bears depends upon its financial ability to pay. That is the point I am trying to drive home. I do not think this kind of legislation is the proper way to deal with the matter. If we are prepared to budget for certain payments to assist people in the group from 65 to 70, let us do it on a basis that will not discriminate as between people in one part of Canada and those in another because of the financial condition of the provinces in which they live.

I want to ask the minister another question. The payments to those between 65 and 70 are based on a means test, and I presume that the conditions of that means test are outlined in the agreement made between the provincial authority and the federal government. We have set forth here one type of means test, namely, permissible income, but I know that in my province there is another means test involving the assets that a person has.

If a person is between 65 and 70 and has a certain amount of money in the bank or has property which can be converted into cash, I do not think he is eligible for an allowance. Is that type of means test incorporated in the agreement between the province and the federal government?

Mr. Monteith (Perth): Yes, this is in the agreement between the province and the federal government, or in the regulations. Actually the situation is that if a person has some property a percentage of the assessed value is taken as being an amount that is considered as income in arriving at the total which the person may have before his allowance is reduced. In other words, if he has some property or if he has a certain amount of money a particular percentage is applied. I do not have the regulations with me, but I do not think it would be fair to all the other people of Canada to suggest that some consideration should not be given to the simple fact that a person does have some money or does have some property.

[Mr. Monteith (Perth).]

Mr. Carter: There is no indication of that in the legislation. I have one other question. Is the means test relating to personal assets the same for every province? Are the same conditions in each agreement no matter what province it is?

Mr. Monteith (Perth): Yes, Mr. Chairman.

Mr. Hellyer: Is it the minister's expectation at the present time that all 10 provinces will be participating in the increase?

Mr. Monteith (Perth): I would hope so. As I mentioned earlier, wires were sent to all of them the day the resolution appeared on the order paper and a copy of the bill was sent to each of them immediately it was available to the house.

Mr. Winch: I should like to ask a question about a point that has always intrigued me. A person who is eligible for an allowance under the act may be a renter or a home owner but if the person is a home owner he has to face a means test. The home owner has to pay taxes, insurance and expenses of upkeep. If a person has been able to build himself up to the point where he owns his own home, which cannot be a very expensive one because of the means test, why do the federal government and the provinces insist that because he owns his own home he must be regarded as having had a 6 per cent revenue from the home when in fact there is no revenue at all? Why is that position taken?

Mr. Monteith (Perth): Mr. Chairman, I believe the figure is actually 5 per cent of the assessed value, not 6 per cent of the value of the home. As I mentioned earlier, I feel that the person who has had to pay high rent may not have been able to save during his lifetime, though I am not going to say that he has not saved. I intend no disrespect to such people. However, I feel that the person who does own his home has an asset that the other person does not have and consequently it has been felt in the past and up till now that some consideration should be given to that fact. I am not going to say that 5 per cent of the assessed value is the correct figure. I really think that in some cases it is high. This is another matter which I trust the welfare council to be formed will investigate. They will be studying problems of this nature in order to level out what may appear to be idiosyncrasies or inequities.

Clause agreed to.

Clause 2 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

BLIND PERSONS ACT

AMENDMENTS TO INCREASE PAYMENTS AND ALLOWABLE INCOME

Hon. J. W. Monteith (Minister of National Health and Welfare) moved the second reading of Bill No. C-56, to amend the Blind Persons Act.

He said: Mr. Speaker, this bill is designed, of course, to give effect to the proposed $10 increase in maximum benefits under the Blind Persons Act. The cost of this increase, as is the case with existing benefits, will be shared by the provincial and federal governments, the federal contribution amounting to 75 per cent of the total bill. As indicated in the resolution, it is also proposed to raise the allowable income ceiling by $180 a year in the case of an unmarried recipient and by $360 a year in the case of married couples. These new levels are higher than would be necessary to permit recipients to receive the full benefit of the higher maximum pension benefit. Our aim here is to encourage individual initiative by allowing recipients to have greater outside earnings without reduction of assistance.

The new levels also continue the tradition of higher income ceilings for recipients of blindness allowance as against recipients of old age assistance and disability allowances. Under present provisions, an unmarried recipient of blindness allowances without a dependant child or children is allowed to have $1,200 a year including allowances. This is to be increased to a total of $1,380 a year, made up of $780 by way of allowance and $600 by way of outside income. An unmarried recipient with a dependant child or children who is now allowed to have $1,680 including allowances will be permitted a total of $1,860 a year. This will be made up of $780 by way of allowances and $1,080 by way of outside income.

A married couple where one spouse is blind is now allowed $1,980 a year in total income including benefit. This will be raised to $2,340 a year. Where one spouse is eligible for blindness allowance and the other for old age assistance, they will be able to receive as much as $1,560 a year by way of a benefit and have in addition $780 in outside income. If the blind spouse is receiving an allowance but the other spouse is not receiving a benefit, the maximum allowance payable is $780 a year and the outside income can be as much as $1,560 a year without reduction of benefit.

Where both spouses are blind, the couple is presently allowed $2,100 a year in total income including allowances. This amount is to be increased to $2,460. Where both spouses receive benefit, a maximum amount payable is $1,560 a year and in addition they can receive $900 in outside income. Where one spouse is eligible for the allowance and the other is not, the couple can receive $780 a year by way of allowances and $1,680 a year in outside income.

Since the Blind Persons Act is a joint federal-provincial undertaking, the comments I made with respect to the old age assistance bill are applicable to this amendment. That is, it will require the agreement of the provinces and territories to give effect to the proposed higher maximum benefits and higher income ceilings. As far as the federal government is concerned, the effective date of these changes will be February 1, 1962 and it is our hope that the provinces will find it possible to match this within their own jurisdiction. Copies of this bill have been sent to each province and my department stands ready to do everything possible to expedite the drawing up of new draft agreements embodying our present proposals.

Assuming that all ten provinces and the territories agree to the changes now before the house, it is estimated that the resulting increase in total outlays under the program will be of the order of $1.1 million in a 12 month period.

At the resolution stage, Mr. Speaker, the hon. member for Bonavista-Twillingate (Mr. Pickersgill) asked me how many persons were covered in the first year of the operation of pensions for the blind. For the fiscal year 1937-38 which was the year in question, the number of pensioners totalled 1,946. At that time the act covered blind persons aged 40 and over. On this basis the case load rose to 4,512 in 1938-39 and was running at between 5,000 and 7,000 over the next seven years. In 1947 the age requirement was lowered to 21 years and the number of recipients gradually climbed to slightly over 11,000 in 1950-51.

On December 31, 1951, the previous legislation ceased to operate, being replaced by the Old Age Security Act, the Old Age Assistance Act and the Blind Persons Act. Of the 11,335 blind recipients as at December 31, 1951, 3,212 were transferred to old age security and the remaining 8,123 became recipients under the Blind Persons Act. Since that time the case load has moved upward to the point where in December, 1961, 8,562 blind persons were receiving benefits.

I should point out that while significant, these figures do not of course present a complete picture of the number of blind persons in Canada. The most comprehensive source of information in this regard is the register maintained by the Canadian National Institute for the Blind which in 1961 reported a total of 24,117 blind persons in Canada. Of this

number 9,102 were over 70 and presumed to be in receipt of old age security. At the same date, there were 8,642 recipients of blindness allowance and when the number benefiting under these two acts is added to the 351 war blinded and the 289 blind persons receiving workmen's compensation, it will be seen that a total of 18,384 persons were in receipt of benefits of one kind or another. This means that about 76 per cent of the number of blind persons registered with the Canadian National Institute for the Blind were receiving benefit under government programs.

The hon. member for Bonavista-Twillingate also requested a general picture of blindness in Canada. The figures reported by the Canadian National Institute for the Blind indicate a slow but steady increase in the prevalence of blindness in Canada over the past 15 years. This apparent increase is due in part to a more comprehensive reporting of blindness. However, with the increase in life span, more citizens reach the older age groups in which blindness due to glaucoma, cataracts and degenerating conditions occurs more frequently. Nearly half of the total number of registered blind are over 65, and over one third of the total are over 70 years of age.

As the house is aware, my department has taken an active interest in the prevention, treatment and rehabilitation of blind persons. In co-operation with nine of the provincial governments, we conduct a program to provide operations for the restoration of sight to recipients of blindness allowances. Alberta does not participate in the treatment program, having its own plan in this regard. The great majority of these operations are done for the removal of cataracts. However, in recent years corneal transplants have been performed with increasing frequency, and in the past two years this type of surgery was carried out in eight per cent of the cases receiving treatment. Incidentally, Mr. Speaker, I mentioned that we carry out the treatment program in co-operation with nine of the provinces. This is handled through the blindness control division of the health branch of my department, and we participate to the extent of 75 per cent of the cost.

In the past fiscal year 105 persons were provided with treatment under this program. The great majority of persons accepting treatment were in the group of approximately 800 citizens who were granted blindness allowances in the course of the year and who were, for the most part, persons whose blindness was of relatively recent development.

Since the inception of the treatment program in 1948, a total of 731 persons had been treated by the end of the past fiscal year. Of these, 562 or 77 per cent, had their sight restored to the extent that they were no longer blind, and the majority of the remaining 23 per cent benefited by varying degrees of improvement in guiding vision. The house can be sure that my department will continue to do everything possible to reduce the toll taken by blindness in Canada. Present provisions will be carried forward and new avenues will be explored wherever they hold out hope for further progress.

Hon. Paul Hellyer (Trinity): Mr. Speaker, the Liberal party is of course pleased to support this measure which, once again, was put on the statute books of Canada by this party when in office. I think it is a recognized principle that blind persons are entitled to special consideration because people who do not have the benefit of sight have extra expenditures over and above those people who do have their sight. The amount provided by this measure is not adequate to meet the need in some cases but it is a welcome improvement and, therefore, will receive our support.

I was very interested to learn from the minister of the work, including the surgery, which has been taking place in nine of the provinces through co-operation between the federal and provincial governments. We hope this will continue and that whatever support is required will be provided by the federal government. This, Mr. Speaker, is a measure which will commend itself to all hon. members in the house.

Mr. Harold E. Winch (Vancouver East): We in this group most certainly welcome the beneficial changes to be made in the legislation in aid of the non-sighted in our country. As I mentioned previously, and as I repeat, we are to be thankful that we are dealing with an extension of the welfare state legislation so early in the session, legislation as it applies to our senior citizens over 70 years of age, to old age assistance for those between the ages of 65 and 70, to those persons who are completely incapable of work, to those who are completely disabled and now, in this measure, to the blind.

To what has already been said I wish to add a special word on behalf of the blind. It was my privilege, for 20 years in the provincial legislature, to work very closely with the C.N.I.B. on the problems which they brought before us and it is my belief, without any disparagement whatsoever by remark or otherwise to others who need assistance on a welfare basis, that we should give particular attention to the blind.

If I heard correctly, the minister said blindness affects only somewhere in the neighbourhood of less than 10,000 people. I would like to ask him whether he and his

department have given any particular study to the question of the federal authority taking over the financial responsibility of aid to the blind. In all the welfare extension acts we now have before us, with the exception of one, there is the understandable problem involved of consent by the provinces and, on occasion, of changes in the British North America Act, our constitution.

However the problem of blindness is so particularized and so worthy, involving as it does not a million persons as in the case of the old age pensioners or less than 100,000 of the disabled and those with old age assistance, that I hope consideration could be given to it. Perhaps the minister will tell us whether the federal government has considered taking over complete financial responsibility for it. The blind need that extra assistance which nobody else requires and then, having provided it, the provinces could go ahead from there.

I know that raises something which many of us do not like because we want to see all Canadians receiving the same; but in this particular regard I believe this is an avenue that would not be too expensive to follow. It should be the strict responsibility of the federal government, with the provinces giving further aid, and I would like to hear from the minister whether that particular aspect of the problem has been considered by himself and his department.

(Translation):

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, just a few words to say that we are happy to know that the Canadian government has taken those measures to help the blind.

As the Minister of National Health and Welfare (Mr. Monteith) indicated, there are in Canada 24,000 blind persons, including 6,000 in the province of Quebec and 175 in the constituency of Joliette-L'Assomption-Montcalm.

In the United States, blind persons are well looked after. They pay no income tax and, when they ask for a pension, they do not have to face a means test.

I wonder if the Canadian government, in conjunction with the provinces, could not study the advisibility of establishing an eye bank in every province of Canada. At the present time, there are only two in the country, one in Ontario and one in Quebec. On the other hand, there are about 60 in the United States, which receive grants from the state and the central government.

I wonder if, after consultation with the province, it would not be possible to reach a federal-provincial agreement to increase the number of eye banks throughout Canada. I think it would be good advertising for that effort and would also make it possible to help greatly our blind people, as it is done now in the United States.

(Text):

Hon. J. W. Monteith (Minister of National Health and Welfare): I would just comment briefly on the remarks made by the hon. member for Vancouver East. Ever since the inception of the Blind Persons Act the federal government has had cognizance of the special situation in which these unsighted persons find themselves, in that this is the one assistance act in which the federal government participates to the extent of 75 per cent of the cost, not only in the allowances but in the special care I mentioned.

The hon. member for Joliette-L'Assomption-Montcalm mentioned the possibility of having more eye banks. All I can say in respect of the special consideration suggested by the hon. member for Vancouver East, and suggested in this other matter of eye banks, is that I would hope the new national council of welfare would be able to give all these matters very close study and advise the government as to further consideration.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Chown in the chair.

On clause 1—*Agreements with provinces.*

Mr. Carter: Mr. Chairman, I should like to ask the minister whether he can give the committee any statistics with regard to the number of blind persons in Canada, particularly the number of children and the age groups, and whether blindness is increasing or decreasing?

Mr. Monteith (Perth): Mr. Chairman, I thought I gave rather comprehensive figures in my opening remarks on second reading, but I will be glad to repeat them for the hon. member. In 1937-38 the number of pensioners was 1,946. At that time the act covered blind persons aged 40 and over. On this basis the case load rose to 4,512 in 1938-39 and it ran between 5,000 and 7,000 over the next seven years.

In 1947 the age requirement was lowered to 21 years. The number of recipients gradually rose to 11,000 in 1950-51. On December 31, 1951, when the previous legislation ceased to operate and the new old age security, old age assistance and blindness allowances acts

came into being there were 11,335 blind persons; 3,212 were transferred to old age security and the remaining 8,123 then became recipients under the Blind Persons Act. This has grown from 8,123 in December, 1951 to 8,562 in December, 1961, an increase of 439.

The best source we have for ascertaining figures in this respect is the Canadian National Institute for the Blind. They reported in December a total of 24,112 blind persons; 9,102 were over 70 and are presumed to be in receipt of old age security benefits. At that time there were 8,642 recipients of blindness allowances. When the number benefiting under these two acts is added to the 351 war blinded and 289 blind persons receiving workmen's compensation it will be noted that 18,384 persons were in receipt of benefits of one kind or another. This would be 76 per cent of the total registration. Another estimate is that nearly half of the total number of registered blind are over 65, and about one third are over 70 years of age.

Mr. Carter: I thank the minister for that information. I was really interested in another figure. I know the minister has given the various categories of people receiving benefits under the act and these groups have changed over the years because of the different conditions of age imposed in the legislation. I was interested in whether there has been an increase in blindness as a percentage of our population. As our population increases, naturally we are going to have more blind people, but I was wondering whether blindness is on the increase. Is it just keeping pace with our increase in population, is it increasing faster than our population, or is it increasing less?

Mr. Monteith (Perth): Mr. Chairman, my estimation would be that it is not increasing faster than the population, but it is more apt to be present in the instance of older people. As the ageing of people becomes further and further advanced I think it is quite logical to expect that there will be some increase in the percentage of blind people.

Mr. McMillan: Mr. Chairman, I should like to ask the minister for the definition of blindness for the purposes of this act.

Mr. Monteith (Perth): I am sorry, Mr. Chairman, I do not have that information with me. I know the hon. member would be very interested in it and I will be very happy to get the actual definition as it appears in the agreements and regulations and let him have a copy of it.

Mr. McMillan: Has it been liberalized lately in regard to the degree of blindness for which these people receive a pension?

[Mr. Monteith (Perth).]

Mr. Monteith (Perth): There was a slight change in the definition comparatively recently. I cannot tell the hon. member whether it was exactly a liberalization until I look at the definition.

Mr. Hellyer: Can the minister say whether there is any difference between the provinces as to the extent of blindness, on a proportionate basis to the population? Does the minister have any statistics to that effect?

Mr. Monteith (Perth): I am sorry, Mr. Chairman, I do not.

Clauses 1 and 2 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall the said bill be read the third time? Now?

Mr. Hellyer: Now, by leave.

Mr. Monteith (Perth) moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

DISABLED PERSONS ACT

AMENDMENTS TO INCREASE PAYMENTS AND ALLOWABLE INCOME

Hon. J. W. Monteith (Minister of National Health and Welfare) moved the second reading of Bill No. C-62, to amend the Disabled Persons Act.

Mr. Speaker: Are hon. members satisfied that sufficient copies of the bill are available, as I believe they are?

Some hon. Members: Agreed.

Mr. Monteith (Perth): Mr. Speaker, as I indicated in commenting on the resolution, the purpose of this amending bill is twofold. It increases the maximum monthly allowances to $65 a month and raises the over-all income ceilings by $180 a year in the case of single persons and $360 a year in the case of married persons. These changes are an exact duplicate of those which we have already discussed in connection with the old age assistance bill and I therefore do not feel it necessary to elaborate further on their implications.

Again, provincial agreements will be necessary to give effect to the amendments. As is the case with the program as a whole, the federal government will pay half the cost of the increased outlays involved, which are expected to run at about $6.6 million for the next 12 month period.

Hon. Paul Hellyer (Trinity): Mr. Speaker, the Liberal party will support this measure. In reviewing the debate which has taken place at the resolution stage it is pretty obvious that it went far afield and covered a great deal of territory, and nothing would be served by attempting to recapitulate it at this time. However it does point up, I think, one or two things. First I think it underlines the necessity for a comprehensive review of social security legislation. Some of these acts have now been in force for a considerable period of time and a great deal of experience has been gained in their administration and operation. The time has arrived when a fundamental approach to the subject would probably yield some changes which would be beneficial not only to those persons who are in need but also to those responsible for the administration of the several acts.

The other factor is the question of payments and the capacity to raise the moneys required by these several bills. It has been the contention of those of us on this side of the house that the government has not produced legislation which will get the Canadian economy going at the rate necessary to support not only the measures before us but other necessary augmentations which will be required in the not very distant future. We therefore hope that before this session has proceeded much further the government will bring before parliament a thorough report on how it proposes to get Canada going again and how it proposes to finance the legislation which has been introduced so far.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, may I be pardoned for just making one statement in view of what has been said by the previous speaker? During the entire time of the present government and in the years preceding under the administration of a previous government we in this group have always spoken in favour of an over-all security program as against a hodgepodge of differing legislation.

We are most happy to have heard the remarks of the previous speaker and to know he has finally seen the light. That is a matter of record.

We welcome the introduction of this legislation which will be of undoubted assistance to disabled persons who are eligible under the terms of the legislation and the regulations agreed upon between the federal and the provincial authorities.

I am sorry I was late coming in this afternoon and that therefore I made certain remarks following a previous speaker because I thought I was at that time on this bill. So without repeating myself and thereby delaying the house I hope the minister, as soon as we reach the committee stage, will answer the questions I raised previously which are of the utmost importance, namely, how they decide when a person is considered disabled under the terms of this bill and whether or not there can be any liberalization, with a small "l" of those regulations. I should also like to be told whether it is required that there should be the consent of all the provinces or whether individual agreements can be reached with those who would like to have a clear understanding as to the meaning of this bill.

I will leave any further comments until the committee stage and after I hear the answer of the Minister of National Health and Welfare on these matters.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I am entirely in agreement with the provisions of the bill, but before we leave this group of four bills with reference to social justice, I should like to clear up a couple of matters which arose during the extended debate on this bill on the resolution stage.

The one matter that concerns me was the statement made by the hon. member for Bonavista-Twillingate (Mr. Pickersgill) which does not seem to me to have been answered. He said in effect that this increase is really no greater than the $6 increase which the Liberals made in 1957, bearing in mind the rise in the cost of living. I felt that the two increases which have been made of $9 and $10 must have been much greater. I have taken the trouble to look into a few figures, and not merely to belie the hon. member for Bonavista-Twillingate but to point out the real facts I should like to present a few brief statistics on this point.

From 1951 to 1957, the period from when the act was introduced until the first amendment, the cost of living in Canada increased from 113.7 to 121.9 or 8.2 points which was an increase of 7.26 per cent. The pension increase at that date, as we know, was $6 which was calculated at exactly 15 per cent of the former amount. From 1957 when the $6 increase was introduced, until 1962, the last available figure, the cost of living increased from 121.9 to 129.8 or 7.9 points representing a percentage of 6.45. The pension increase during that period was from $46 to $65, which is $19 or 41.9 per cent. The increase of $6, which was 15 per cent, was brought about as a result of a 7.2 per cent increase in the cost of living. The increase in allowance was about double the increase in cost of living. The later increase was based on a cost of living increase of 6.45 per cent with a pension increase of 41 per cent which

is about six times the amount of the cost of living increase. Therefore I think that to say there is any relation between an increase of twice the amount and an increase of six times is not in any way correct or nearly correct.

Then in connection with the same figures there were allegations that the cost of living during the last five years under a Conservative government had grown very extensively. An examination of the figures shows that for the years I have mentioned, from 1951 to 1957, the cost of living increase was 7.26 per cent. In the past five years it was only 6.45 per cent so that on the whole the increase in the cost of living under the two parties has been about the same, though the pension increase has been much greater.

There is one other thing I should like to mention before taking my seat. During the debate on the resolution there was a good deal of discussion about federal-provincial shared programs. The subject was originally raised, I believe, by the Prime Minister (Mr. Diefenbaker), and the Leader of the Opposition (Mr. Pearson) made a lengthy statement in reply. The final word on this particular subject is, I think, given in a dispatch which appears in today's Montreal *Gazette* written by Robert McKenzie reporting on a statement made by the Hon. Rene Levesque the national resources minister of the province of Quebec. According to this, Mr. Levesque said that the federal Liberal party, under Quebec pressure, had pledged itself to withdraw from cost sharing programs.

I think it is very significant that this change in policy should come under pressure from a Liberal party in a specific province.

Mr. Hellyer: Mr. Speaker, would my hon. friend permit a question? Is the hon. gentleman reading a direct quotation from Mr. Levesque or just a newspaper report?

Mr. Aiken: I am reading a newspaper report, Mr. Speaker.

Mr. Speaker: I question whether the hon. member is relevant in departing into a discussion of the problems of federal-provincial arrangements. It is true that this is a bill which authorizes an agreement between the provinces but the principle involved in the amendment is one of the amount of assistance to disabled persons. I should not like to see the debate become enlarged as a result of my not cautioning the hon. member to keep strictly on the track.

Mr. Aiken: Thank you, Mr. Speaker, I do not wish to say anything more. I shall conclude by asking whether the policy might again be changed after the visit of the premier of Newfoundland yesterday and today?

[Mr. Aiken.]

Mr. W. H. McMillan (Welland): Mr. Speaker, we are now at second reading stage of the bill to pay pensions to the disabled. I had hoped we could get away from politics and questions concerning how much is paid by whom in discussing this measure.

I wish to make some criticisms at this time. I trust the minister will not consider that I am criticizing his department because what applies there now probably applied before. I have had considerable experience over the years with people attempting to qualify for disability pensions. I believe some confusion exists with respect to the interpretation of the words "totally and permanently disabled".

The minister explained today that in Ottawa from time to time conferences are held of doctors of provincial boards, to give consideration to the various conditions that might cause total and permanent disability. Probably such conferences were held during the tenure of office of the previous minister.

Yesterday the hon. member for Timiskaming (Mr. Peters) said that he thought a person with a disability might qualify in one province while another individual with the same condition living in another province might be denied the pension. I believe that this could happen. Confusion exists in the minds of medical men largely because they do not understand what constitutes a total and permanent disability under this act.

If a person has advanced arthritis and is confined to a wheelchair it is usually not difficult for him to qualify for the pension. However, there are many other conditions which are just as disabling in terms of the individual making a living and the victims of these conditions frequently find it difficult to qualify for a pension under the act.

I can think of patients of my own in the past who were unable to qualify for the pension. I can think of mental and psychological conditions which are disabling in terms of the individual earning a livelihood. I know of people with schizophrenia whose condition does not warrant their being hospitalized but who are unable to earn a living. They have such negative personalities they could not stick with a job for more than an hour and certainly they require direction. These people cannot earn a living.

I have a vivid recollection of a woman who was so psychologically upset she could not earn a livelihood. After a period of hospitalization she would appear to be well but when discharged she would lapse back to her previous condition.

Not many people who suffer from a condition such as premature aging as a result of

arteriosclerosis are able to qualify for a pension under the act. Let us take coronary disease of the heart as another example. I have seen a patient as young as age 18 die of this disease. How many in their thirties or forties could qualify for a pension even if disabled to the extent that they were not able to walk very much on the level because of heart disease?

There are certain diseases which have remissions. I think of leukemia, for example. A person applying for a pension under the act during a period of remission would certainly have no chance of qualifying because he would look so well. The situation would be much improved if the experts would always accept the true report sent in by the doctor, but I have found that is not always the case. But differences of opinion would naturally arise.

There are a number of disabling conditions in respect of which a doctor cannot honestly put his signature on paper and say that the patient is permanently disabled. There are a number of diseases that lead to a fatal termination in the majority of cases but in a few other cases the victims do recover for a time. We know this is true in some cases of cancer, cirrhosis of the liver and others. Few recover but their health improves so they can work for a time. Unless a doctor is able to say they are totally and permanently disabled these people do not qualify under the act. Most of these people are permanently disabled within the meaning of the regulations, in the final result, but can any doctor say at the beginning they are permanently disabled under the act?

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Martineau in the chair.

On clause 1—*Agreements with provinces.*

Mr. Monteith (Perth): Mr. Chairman, my officials are entering the chamber. I shall be happy to reply to some of the questions asked by the hon. member for Vancouver East at that time.

Mr. Hellyer: Perhaps we could finish singing "O Canada" in the meantime.

Mr. Winch: Mr. Chairman, as you could notice the slight disturbance in the gallery when someone attempted to sing aloud "O Canada", may I say it was not necessary for the individual to have made that attempt because we in this chamber are attempting to carry on the business of this nation and that kind of interruption from the gallery is not required.

The hon. member for Welland in greater detail has raised a question I have raised twice concerning the difficulty of qualifying for the disability pension. Would the minister offer some explanation of the basis upon which decisions are made and tell us whether some liberalization will take place under the regulations?

Mr. Monteith (Perth): Mr. Chairman, I agree with the hon. member for Welland that there will always be problems. I do not know how they can possibly be avoided. As minister I have received many letters in this respect indicating what might seem to be inequities; I have suggested re-examinations and so on. As I mentioned earlier, we do have the doctors who are conducting the examinations in these cases come to Ottawa fairly frequently, the last time having been May, 1961, in an endeavour to have uniformity of approach on this matter.

Mr. Carter: May I interrupt the minister there? Does he mean the doctors who are actually examining the applicants or those who are sitting on the provincial boards?

Mr. Monteith (Perth): The doctors on the provincial boards.

Mr. McMillan: I should like to ask the minister a question, and I do not mean to embarrass him. Are any of their findings or decisions sent to medical men throughout the country? Are they published in any medical journal?

Mr. Monteith (Perth): As I understand the situation, Mr. Chairman, the individual gets an application form and takes it to his personal doctor. Then the application is sent to the board of doctors. If they want more information or if the application does not seem to be sufficiently explicit, it is sent back or they can get outside advice, and if there is a difference of opinion there can be adjudication on the matter.

Mr. Winch: Do I understand from what the minister has said that there is an adjudicating board or a board of referees? Will the minister give us information on that?

Mr. Monteith (Perth): It is called a medical review board and there is one in each province. As I have mentioned, the individual's personal physician fills out the medical form and sends it in to the medical review board. If they are not satisfied, if they feel that there is not sufficient information, they can send back for more information. If in the end there is a difference of opinion between the review board and the individual's own practitioner, there can be adjudication on that matter.

Mr. Winch: Who makes up the adjudication board?

Mr. Monteith (Perth): A federal doctor, a provincial doctor and a third one appointed by the province.

Mr. Winch: Would the minister be good enough to supply me with a copy of the now agreed upon regulations with respect to what constitutes permanent disability? I have never seen them.

Mr. Mandziuk: Mr. Chairman, to follow up this matter, I should like to address this question to the minister for purposes of verification. Is it not a fact that an investigator is usually sent to the home of the applicant, that such investigator is not always a medical man and that the impression which the applicant makes on the investigator is a factor? There are a few more points I should like to raise for the consideration of the minister. Is the same yardstick used in every case in measuring disability? Is the applicant's intellectual and academic background as well as his physical condition taken into consideration?

Hon. members will admit that a physically handicapped man with professional training may well be able to make a living whereas a man with no education at all and the same physical incapacity cannot make a living. It is the general understanding throughout the country that this assistance is given to those persons who cannot earn a living. I know of several instances where the intelligence quotient of the applicant does not fit him for retraining or technical training of any kind. His physical condition is such that he can put his clothes on and hobble outside the house. He is considered by the investigator as able to make a living but the man cannot. If he had professional training or academic education I am sure he could because from his waist up he is absolutely O.K. Are we using the same yardstick in all cases, just physical capacity and that is all? If that is the case, I do not think it is fair.

I also do not think it is fair that we send investigators who are not always medical men to the homes of these applicants. Probably it is difficult to get medical men to take on this job, but these investigators do not always make a good impression on the applicant. They want to see whether he can walk or hop or put his shirt on and take it off.

I think all these things have got to be taken into consideration if assistance is to be given to persons who are disabled from earning their living. Mental, academic, social and other factors should all be taken into consideration.

[Mr. Monteith (Perth).]

Mr. Monteith (Perth): Mr. Chairman, perhaps I might read the definition from the regulations. It is in these words:

> For the purpose of the act and these regulations, a person shall be deemed to be totally and permanently disabled when suffering from a major physiological, anatomical or psychological impairment verified by objective medical findings which is likely to continue indefinitely without substantial improvement and, as a result thereof, such person is severely limited in activities pertaining to normal living.

I might repeat what I said about the make-up of the board of review in a province. There is a medical man appointed by the province and a medical man appointed by the federal government. If these two cannot agree on their finding, between them they arrange to appoint a third as an adjudicator.

The hon. member mentioned the possibility of an investigator not being a medical man. My understanding is that these investigators who visit applicants in their homes are never medical men. There are two reports. There is a medical report and a social report, I suppose one might call it. The new Vocational Rehabilitation of Disabled Persons Act passed at the last session of parliament makes provision for rehabilitation in some instances at least under the Department of Labour. I would suggest that possibly an attempt be made to have the provincial rehabilitation co-ordinator see if there is anything that can be done in this regard.

Mr. Winch: I should like to say that I am quite happy to have heard the minister read out the regulations. In view of those regulations I cannot, for the life of me, understand why so many people have been turned down on the grounds they were not permanently disabled. Obviously, the regulations cover psychological and physiological disablement. In view of certain cases in British Columbia that I have in mind, this amazes me. I thank the minister for the information.

I am interested to know that the medical examination is made by medical men appointed by the province and by the federal government. I think I heard the minister correctly when he said that if they cannot agree then, an adjudicator is appointed by the two.

Mr. Monteith (Perth): That is right.

Mr. Winch: This procedure strikes me as being rather unusual. Here, we have an appointee of the province and an appointee of the federal government, and they appoint the adjudicator. I ask the minister if it is not possible to work out what might be a more impartial examination or review board. It is rather extraordinary, in my opinion, to have the people who cannot reach agreement expected to agree on the adjudicator. I am

asking the minister if any thought has been given to trying to place the adjudicator—even if it is only on the surface, I think it is important in principle—on an impartial basis.

Mr. Monteith (Perth): I am told that our experience in this respect has been satisfactory, but I would be glad to look into the matter.

Mr. Mandziuk: In my opinion these investigators, not being qualified medical practitioners, are not qualified to judge whether or not an applicant is physically incapacitated. I have heard complaints on that score. It is true that the individual applicant is examined by his own doctor and then comes before a medical board. However, the minister mentioned this social investigator. I do not know what is meant by "social investigator". Perhaps this is supposed to be a social call. I know from experience that these ordinary investigators do not know beans about a man's physical incapacity. I think the only person who is qualified to make a decision is the medical practitioner.

I will admit that the applicant's own doctor may be biased in his favour. The minister also mentioned the rehabilitation of these people. I have in mind, Mr. Chairman, a middle aged man who has been examined by representatives of the health department and the labour department with a view to giving him some training. It has been found that he is unable, because of his physical incapacity and his mental rating, to take advantage of this rehabilitation training. However, when he applies for a pension as a disabled person, he is rejected because they say he is not totally disabled. I think this sort of thing needs clarification. I am wondering, too, whether or not these regulations are uniform in all the provinces.

Mr. Monteith (Perth): If I might mention first of all these regulations, I would say they are certainly uniform in all provinces. I do not believe the hon. member for Marquette was serious when he wondered whether or not this was a social call. I should like to just outline the procedure again, probably a little more specifically.

There is a medical report which is prepared by the applicant's own physician. This goes to the board in the province and the provincial board may then call in a specialist for further information. They may call for a special examination to determine just what the position of this particular applicant is. There is also, of course, the means test and this is where the social worker makes his report.

Mr. Mandziuk: Now, I understand.

Mr. Monteith (Perth): There are two reports, actually.

Mr. Carter: Will the minister say what purpose the social report serves? Why is it necessary to have the investigator at all?

Mr. Monteith (Perth): Yes, because there must be an investigation for the means test. We simply make a check in this regard, as we do in connection with unemployment assistance.

Mr. Regnier: I should like to support the hon. member for Marquette. I know that at one time in Manitoba it was said that anyone who could put on his own clothes was not eligible for a pension. A man who could move around without being helped in the house or could do some baby sitting was disqualified from the pension. I know the regulations say that if a person is severely limited in his ability to earn a living, he can qualify. However, there is too much scope left to the provinces in the administration of this measure. I do not believe the medical people who look after these cases are properly advised as to their duties. I think the regulations should be more clearly defined so that the doctor would know exactly to what the applicant is entitled.

I feel this measure is too restrictive when a man who can put on his own clothes but cannot do anything else is disqualified from a pension. It seems to me that in the province of Manitoba you would need to be in a wheelchair before you could qualify. Perhaps this situation is changed now, but for a long time there was no hope for an applicant qualifying if he could walk around unaided. I should like to have the provincial authorities instructed as to what those words the minister mentioned mean, so that the applicants will receive fairer treatment.

Mr. Herridge: I should like to support the remarks made by the previous speaker with regard to the administration of the regulations covering disabled persons. I think that with respect to this social security legislation there is more complaint about the administration of the regulations under this act than under the previous acts we have been discussing. I know of a case of a young chap who is mentally incapable on occasions, yet he can work for two or three days. Then, suddenly something happens. In one case, this chap was helping to tar a roof and he ended up by dumping the tar on his fellow employees. However, he has not been able to qualify for a pension. I know of another case where a man was severely disabled and can occasionally get a temporary job for one or two days.

I think the remarks of the previous speaker went to the heart of the situation. There is, shall I say, a different interpretation within the various provinces as to what or who is a disabled person. The minister should give a more precise definition of the term "disabled" because I am positive, from contact with various cases in my own constituency, that cases intended to be covered by this legislation are not now covered by the interpretation given by the provincial authority.

(Translation):

Mr. English: Mr. Chairman, I want to thank the Minister of National Health and Welfare for the particular interest he takes in the invalid persons of this country.

However, as hon. members who preceded me have said, I am still wondering if our invalids can really benefit by that legislation.

First of all, we should understand the definition of the word "invalid". I believe an invalid to be a person who, because of some disability, deficiency, or illness, is unable to earn his living.

At this time, in my own riding, as well as in those of several of my colleagues, when an invalid submits an application with a view to obtaining a pension, an inspector calls on him and makes a report. Later, a local physician also submits a report, which is then considered by a committee of two doctors, one federally and the other provincially appointed.

I really wonder what a physician can decide when he does not see the patient. As a matter of fact, if I were ill tomorrow, and trying to undergo treatment by correspondence, what would be the results?

Now, I think that we should have, in each province, and in each riding, a specially appointed physician to meet this class of our society which suffers more than any other, and which needs the help provided by this beneficial legislation.

Such a course would enable us to judge if such and such a person should benefit by a pension under the disabled persons legislation. I cannot understand why the federal and provincial governments should pay a physician residing, for instance, in Quebec, to judge the case of a patient living 500 miles away, for instance people who live in Gaspe and are asking for a pension.

I believe we should follow the practice applied in the case of blind applicants, where the physicians go down to the constituencies to examine people asking for a pension under the Blind Persons Act. To my mind, it would be preferable for physicians to go and see the disabled persons in order to help them benefit by the beneficial legislation passed by this government.

(Text):

Mr. Hellyer: It is interesting to note that this problem is not confined to any one part of the country. Not too long ago a case was brought to my attention of a person who had applied for a disability pension and who had been recommended for it by his doctor and the medical board. However, when the investigator went to the man's house he was in his garden and the mere fact that he was in the garden seemingly disqualified him, notwithstanding the fact that he had a very serious heart disability. Certainly it does not seem to me that being in his garden for a little pleasure in the mornings should be construed as capability for work.

I agree with the hon. gentlemen who have taken a stand that the mere fact a man can walk, or go out in his garden and enjoy himself, should not disqualify him from receiving a pension. I believe the investigators should be very carefully chosen so that they may not arrive at a decision prejudicial to the views of the learned medical profession.

Mr. Monteith (Perth): May I just mention one point, that unemployable disabled persons may also be assisted under the Unemployment Assistance Act.

Mr. Carter: Mr. Chairman, I think we are misled to some extent by the title of this bill which says it is an act to amend the Disabled Persons Act. That seems to suggest it applies to all sorts of disabled persons who are not able to earn a living, but actually the bill applies only to that group who are totally and permanently disabled. An applicant must not just be disabled, he must be totally and permanently disabled.

This morning I raised two questions when we were discussing the resolution. The minister has replied to one, which was elaborated on by my hon. friend from Welland (Mr. McMillan) this afternoon, but he has not replied to the other which has to do with the qualification of having to be totally and permanently disabled. If we are passing this legislation to meet the need of those who are totally disabled then that is one thing. They certainly need the assistance which this legislation is intended to provide, but why an applicant has to be permanently disabled in order to qualify is more than I can understand.

As I pointed out this morning it is very difficult for any medical practitioner or specialist to say that a condition is permanent. New cures and new drugs are being invented

almost every hour of the day, and what is a permanent disability condition today may be cured tomorrow.

If a person is totally disabled for a period of time, say six months or 12 months, his need has been established and certainly that should qualify him for the benefits which this act is intended to provide. I do not see why we should not scrap this idea of permanent disability and instead make the qualification a period of total disability for six months, eight months, or 12 months, with provision to review the cases periodically. Has any consideration been given to that suggestion?

Mr. Monteith (Perth): As I understand it, this act when originally proposed was designed for that very purpose, to take care of the permanently and totally disabled. Then it was found that there were certain classes of people who were in hardship and, as a consequence, the ceiling on unemployment assistance under which the federal government would participate with the provinces was lifted as of January 1, 1958. I am sure the hon. member for Burin-Burgeo will remember that. This has allowed people in that particular category to participate in unemployment assistance, in which the federal government participates to the extent of 50 per cent.

Mr. McMillan: Mr. Chairman, I realize this is a difficult act to administer, but I want to emphasize that there is confusion in the minds of medical men in this country as to who might come under it and receive a pension. I think there should be better dissemination of information concerning decisions reached by the board. I have had considerable experience in this matter in the past and I have come in contact with very few cases where I could say these people did or did not come under the act and were or were not eligible for pension.

I could certainly say they were eligible if they were crippled with arthritis, for example; but the average medical man gets comparatively few cases of this nature. He fills out the form and sends it in. He probably knows whether or not a particular person receives a pension, but one year he might recommend a patient for a pension and it might be refused, and the next year another doctor might fill out a form for that patient and he will get the pension.

I think there should be some definite laws laid down under which medical men will have some idea, when they fill out these forms, whether the applicant will receive a pension. The example comes to mind of somebody in need who has incurable cancer. Some cancer cases last one, two, three, four or five years, but if it were a case of incurable cancer could the minister tell me how soon that particular applicant would qualify under this act?

Mr. Monteith (Perth): In the case of incurable cancer it would of course depend upon the medical report.

Mr. Carter: Mr. Chairman, I want to press my question a little further. I do not consider the answer the minister gave is at all satisfactory, because he says, "Oh, well—".

Mr. Monteith (Perth): What is your question? Pin it down.

Mr. Carter: My question is, why do we insist upon keeping the permanent qualification, because a person who is totally disabled may not be permanently disabled; a person who is permanently disabled may not be totally disabled. But when the minister comes to grips with this question, all he says is, "If you do not qualify under this, you can always get something under the Unemployment Assistance Act."

That is not what we are talking about; we are talking about this act which is intended to benefit a certain group of people under certain conditions. We are not talking about the Unemployment Assistance Act. I know a person can get some assistance if he is out of work and unemployable, but with a person who has a very severe heart condition it will take a good deal of time, perhaps two or three years of waiting, before somebody finally decides he is totally and permanently disabled. I presume that in the meantime he receives assistance under the Unemployment Assistance Act because he cannot work, but somebody eventually decides he is totally disabled and comes under this act.

Where do you draw the line? What is the difference between when he qualifies under this act and when he was refused qualification previously and had to come under the Unemployment Assistance Act? I think the two acts overlap in a confusing way. If we are going to legislate for certain groups, let us legislate for certain groups and have a clear cut definition as to who is entitled to benefit under one piece of legislation and who is entitled to benefit under another.

Mr. Monteith (Perth): Mr. Chairman, I fully realize all the inadequacies of these pieces of Liberal legislation. I have been thinking that for some time and that is the reason why I requested that a national welfare council be set up.

Mr. Hellyer: Is the minister not capable of independent thought himself?

Mr. Monteith (Perth): I hope to turn many of these subjects over to the national welfare council for consideration and advice.

Mr. Hellyer: Why don't you do something about them yourself?

Clauses 1 and 2 agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read a third time? By leave, now?

Mr. Hellyer: Next sitting of the house.

Mr. Deputy Speaker: Next sitting of the house; agreed?

Some hon. Members: Agreed.

Mr. Churchill: Why not now?

Mr. Monteith (Perth): It is because their own legislation was inadequate.

CIVILIAN WAR PENSIONS

AMENDMENTS EXTENDING PAYMENTS TO CERTAIN GROUPS

Hon. Gordon Churchill (Minister of Veterans Affairs) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Civilian War Pensions and Allowances Act to permit the payment of allowances, similar to those provided for veterans and their dependants under the War Veterans Allowance Act, 1952, to surviving former members and to certain dependants of deceased members of a number of civilian groups of Canadians who made outstanding voluntary contributions to the war effort during world war I and world war II under difficult and dangerous conditions.

Motion agreed to and the house went into committee, Mr. Martineau in the chair.

Mr. Churchill: Mr. Chairman, the purpose of bringing forward this measure is that it contains certain amendments which will remove anomalies that have persisted for a number of years, about which a great many hon. members of the present parliament and earlier parliaments have spoken. It has therefore seemed advisable to clear away some of these things which require attention and recognize certain groups which served during warfare under difficult and dangerous conditions but which have not received the same attention as veterans.

The difficulty over the years has been with regard to the definition of the word "veteran", which we are not changing in the amendments; but because of the definition of the word "veteran" people who were not enlisted and in uniform in the various categories which I will mention shortly have not been eligible for some of the benefits under the veterans charter. The intention of the amendments about to be proposed is to bring these categories, not under the War Veterans Allowance Act but to make available to them the assistance that is provided to veterans under that act. I have a prepared statement which I think will put on the record as it summarizes rather carefully the various amendments which we have in mind.

Mr. Hellyer: Do you have an extra copy?

Mr. Churchill: The Civilian War Pensions and Allowances Act was passed in 1946 to provide pensions to members of a number of civilian groups who became disabled while furthering the national war effort and to the dependants of those who lost their lives as a direct result of enemy action. The word "allowances" in the title has so far referred to detention allowances which were paid to merchant seamen if they were detained or imprisoned by another country. The allowances compensated for the loss of wages suffered because of detention. The act as it is at present is administered by the Canadian pension commission.

The amendment proposed by the bill is to add a new section to the act to permit the payment of allowances in amounts similar to war veterans allowances and under similar conditions of financial need or disability. The contribution of the members of these groups to the war effort was praiseworthy and in many instances brought sacrifices in addition to disabilities involving financial loss and family hardship through separation and other strains as well as many discomforts and privations. It thus seems appropriate that where these civilians are unable to follow a reasonably gainful occupation and have very limited resources, they should be assisted in order that they may enjoy a modest but secure income as a token of the national appreciation of their contribution to the war effort.

Although it is necessary to speak of them using the term "civilians" rather than "veterans", that is not because those of us who are veterans, in addition to others, do not recognize that their contribution was in many instances greater than that which we ourselves made during wartime. I would refer particularly to the men in the merchant marine who have been recognized in many other ways but who have not heretofore been given the privileges which pertain to veterans under the War Veterans Allowance Act. I have stated before in this house how much we owe to these men and again I pay a tribute to the men of the merchant marine in particular, not singling them out especially from the other groups which will be mentioned later, but referring to them because I have always had a great admiration for the merchant marine. These men undertook, voluntarily, jobs for which I, for one, might have volunteered only under extremely pressing

circumstances; I have often thought that if I had been asked during wartime to take a job as a merchant seaman I would have paused to think about it on more than one occasion. Each service sometimes wonders how the other service is managed in wartime, and as just an ordinary soldier I often wondered about the men of the merchant marine.

The groups to whom it is proposed that allowances be made available are:

1. World war I. The Canadian merchant marine and those Canadians who served in the merchant services of the allies.

There were 39 merchant ships of Canadian registry during world war I, and a number of Newfoundland registry. A small number of Canadians served in British and allied merchant shipping. It is estimated that there were about 5,000 merchant seamen who served in all these ships. Most seamen served in dangerous waters. We cannot determine accurately the number of these who survive, but a careful estimate indicates that only a few hundred seamen and widows are now alive.

The annual cost is estimated at about $105,000. As this group is now decreasing because of advancing age the cost will drop quickly.

We are hopeful that although official records of service will in most cases be non-existent, proofs of service at sea will be available through the discharge books of the seamen, authorization for medals or other contemporary records.

2. World war II. The Canadian merchant marine and those Canadians who served with Canada's allies on certified non-Canadian ships.

There were 194 merchant ships of Canadian registry and a number of Newfoundland registry. Canadian seamen served in many certified non-Canadian ships including a number who served under an agreement with the British admiralty, known as a T-124 agreement which applied to service on such ships as armed merchant cruisers and rescue tugs. From the records of these world war II groups there should be little difficulty in establishing proof of service. It is estimated that there are now about 20,000 survivors of all these groups including widows and orphan children and that about 400 would now qualify for allowances on the basis of service eligibility consisting of at least six months spent at sea during the war including at least one voyage through dangerous waters, or the award of a pension or a detention allowance under this act.

The estimated present annual cost of allowances to this group is $500,000.

3. World war II. Corps of (civilian) Canadian firefighters for service in the United Kingdom.

This corps was organized in Canada for service in Britain to assist the national fire service in combating fires caused by enemy air raids. Members were required to serve for the duration of the war or as long thereafter as necessary. Of the 422 firefighters who enrolled in the corps, 408 served in Britain and had all arrived there by December, 1942. The average length of service for those who proceeded overseas was two years and nine months. Those who served for at least six months in Britain during the hostilities in Europe received the defence of Britain medal. Complete service records of this corps are available. It is proposed that service eligibility for allowances will require a continuous period of at least six months spent in Britain prior to May 9, 1945 or the award of a pension under this act, and that the widows and orphan children of deceased members who saw such service be also eligible.

The estimated annual cost is $12,000.

4. World war I. Voluntary aid detachment.

This detachment was selected by the St. John Ambulance Brigade and sent to Britain to assist the Women's V.A.D. department of the British Red Cross. They served in imperial hospitals in Britain and on the continent, having proceeded overseas between September 1916 and September 1918. Of the total of 360 who proceeded overseas 54, including 12 from Newfoundland, served on the continent of Europe and received the Victory Medal and the General Service Medal. Nominal rolls are available. The bill provides that members of this detachment and the orphan children of deceased members be eligible for allowances provided that before November 12, 1918 they served on the continent or at least 365 days in Britain including sailing time from Canada and on return during the period of hostilities or, alternatively, were pensioned under this act.

5. World war II. Overseas welfare workers.

This was a group of women who served overseas under the auspices of the Canadian Red Cross society, the St. John ambulance brigade and the Scottish ministry of health. They served in various capacities such as nursing aids, ambulance drivers and welfare workers. Some served as orthopaedic nurses with the Scottish ministry of health. The first women left Canada in January, 1943. The majority served in Britain only although some served in the Mediterranean theatre and others in France and Belgium. Virtually complete records are available. There were 861 workers who left Canada for service

overseas. It is proposed that, as these workers served in Britain and on the continent under hazardous conditions, they and the orphan children of deceased workers, be eligible for allowances provided they served overseas for a continuous period of at least six months or are pensioned under this act. The annual cost would be very small.

6. World war II. Canadian civilian air crew of the Royal Air Force transport command.

These men were first employed in 1940 as civilians to fly bombers and other aircraft across the Atlantic. In 1941 the organization was taken over by the R.A.F. transport command. At the conclusion of hostilities there were 269 Canadian survivors of this group. Complete records are available. The members suffered a fatal casualty rate of 20 per cent. It is proposed that those who served as air crew for at least six months during the war and who made at least one ocean crossing and the widows and orphan children of deceased members be eligible for allowances. The annual cost would be very small.

7. World war II. Newfoundland overseas forestry unit.

This group was recruited in Newfoundland at the request of the British government. The earlier contracts were for six months only but subsequent contracts were for the duration of the war. They were engaged in the cutting of pit props for coal mines, an activity vital to the war economy. They served mostly in Scotland. Of the total of 3,680 who went overseas about 3,100 remained as civilians as some of the first group joined the forces. The group suffered about 30 fatal accidents and 335 were repatriated on medical grounds. Records are virtually complete. It is proposed that the members of this unit who contracted to serve with the unit for the duration of the war and who served in Britain for at least six months and the widows and orphan children of deceased members with this service be eligible for allowances. The present annual cost is estimated at $60,000.

The above proposals to permit the payment of allowances to the survivors and surviving dependants of the members of the above groups are contained in a new part to be added to this act as part XI. Parts I to X will, as before, continue to be adjudicated and administered by the Canadian pension commission. The adjudication and the administrative duties brought about by the new part XI will become the responsibility of the war veterans allowance board and the W.V.A. district authorities. The authority for these duties is now contained in the War Veterans Allowance Act.

[Mr. Churchill.]

Mr. Carter: Mr. Chairman, I should like to thank the minister and the government for introducing this resolution. It states a principle with which we are in full accord and which we heartily endorse. For some time we in this party have advocated that pensions be given to members of the merchant navy, the rescue tug service commonly known as the T-124 group, the firefighters and members of the Newfoundland overseas forestry unit. We are glad to see that the valuable services rendered to our country by these and other groups in two world wars are now being recognized.

I said we fully support the principle of this resolution but we have no way of knowing how widely the principle will be applied until we see the bill. Until the legislation is before us we cannot determine for ourselves the conditions under which these people will become eligible for pensions nor will we be in a position to determine its actual usefulness.

Judging from the figure given by the minister with respect to the cost of pensions for the Newfoundland overseas forestry unit it seems to me the conditions are going to be very stringent indeed. If the cost is going to be only $60,000 it may be calculated that at $1,000 for each individual the government does not expect more than 60 members of the unit to qualify this year.

Although I endorse the principle I must place on record my personal disappointment at the vehicle chosen by the government for applying the principle. I had hoped that the method adopted would have been by amending the veterans charter so that these groups could be accorded the same treatment we accord other veterans. It seems to me it would have been a very simple matter to amend the definition of a veteran in such a way that these groups could be included. The fact that this has not been done amounts to denying these people the status of veterans. While we are assisting them in one breath, in the next breath we are saying that we do not regard them as veterans.

I appreciate what the minister said about the merchant navy. He knows I share the admiration he expressed for the services they rendered during the war. Their services were just as vital and necessary to the winning of the war as those rendered by any other branch of the armed services. Without the merchant navy there would have been no food for our troops or our allies in Britain, no fuel to run our tanks and motor vehicles, no ammunition and no arms. If you take that into consideration you will conclude we could not have won the war without the contribution of the merchant navy.

The minister said the amendments envisaged payment to these groups somewhat along

the lines of the war veterans allowance. That allowance is paid to veterans on reaching age 60 without the requirement of a medical examination. We call it the burnt out pension. It is awarded on the assumption—whether true or false I am not prepared to say—that the hardships undergone by those men in carrying out their duties had an effect on their physical condition that would not have been experienced had they remained in civilian life and that served to pre-age them by ten years. If that is true with respect to the armed services, I am sure it is doubly true with respect to members of the merchant navy.

The minister said he would not like to be in the position of a merchant seaman, and I would not either, sitting on a fuel tanker which might be blown up and catch fire at any minute in mid-Atlantic, or sitting on a munition ship which would need only one shell to blow everyone to kingdom come, being cramped in small quarters with people suffering from tuberculosis and other ailments or floating about in the ocean for hours on end waiting to be picked up. Certainly if any conditions would create pre-aging I would think that those I have just mentioned would lead to that result.

We are glad to see that these benefits are being extended to the other groups mentioned by the minister. I will not take the time to list them all. We acknowledge their services too, but what disturbs me is that the government, having chosen to go so far, has stopped short of going just a little bit farther and granting to these people the status of veterans. What we see here is that all a person needs to do to be a veteran is to put on a uniform. I have known people who put on a uniform, landed in France, spent a day or two there, broke a leg and were transported back to blighty. Such a man is a veteran though he never got into action. He never got near the front line but he is a veteran. On the other hand, the poor merchant navy man who was torpedoed, floated for hours in the ocean and was lucky to escape with his life is not a veteran. I think this omission is going to be a severe disappointment to the members of the merchant navy.

I see that my time is running out and I will merely pass over the other groups by saying that I welcome this recognition of their services because I want to take a minute or two to refer to the Newfoundland overseas forestry unit. In respect of this group this is special legislation because it will not apply to any other foresters or any other forestry unit except those in Newfoundland, and in Newfoundland only to those who served in world war II.

Here again we have identical conditions involving the summoning to service of these people by the British government, a vital service so important that they were frozen in their occupation and not allowed to join the other services even though many of them wished to do so. In addition to their forestry service, some of them served in the home guard in the British Isles and manned guns and performed other defence duties in Britain.

But the thing I want to point out to the minister about this legislation is that it is drawing a distinction between Newfoundland forestry units who served in world war I and those who served in world war II, because the Newfoundland foresters who served in world war I are veterans. They are recognized as veterans and are receiving benefits today under the veterans charter. Yet we are saying to those who served in world war II and performed exactly identical services that they are not veterans.

What is the difference, Mr. Chairman? The only difference is that those who served in world war I wore uniforms and those who served in world war II did not because they were recruited under different conditions and in such an urgent way. At that time Newfoundland did not have responsible government but was governed by a commission with headquarters in Britain. The head of the government was really the colonial secretary in London and he laid down what was or was not to be done. If we had been a free people at that time instead of being governed by what was actually a dictatorship—it may have been a benevolent one but nevertheless it was still a dictatorship because the people had no say in their government—the Newfoundland people would have seen to it that the Newfoundland foresters of world war II were treated in exactly the same way as those who served in the same capacity in world war I.

The people of Newfoundland did not have a voice in the government of their country and it would have been a nice gesture if in bringing in this legislation the government had rectified the omission and put the foresters of world war II on exactly the same footing as those of world war I. We now have in Newfoundland two classes of foresters, those who served in world war I and are veterans and entitled to benefits under the veterans charter and those who served in world war II who are not veterans and not entitled to benefits under the charter but who are now being brought under the civilian pensions act.

That is not what I wanted, that is not what they wanted, that is not what the Canadian Legion wanted. The Legion made it very clear in its submissions to the government

and to the parliamentary committee on veterans affairs in 1960 and 1961 and on other occasions that it was recommending that these groups should be brought in under the War Veterans Allowance Act. Even at this late date I would ask the minister to reconsider this whole matter and try to wipe out the anomalies which he said in his opening remarks this legislation is intended to remove.

Mr. Herridge: Mr. Chairman, could we call it five o'clock?

Mr. Pugh: I should like to ask the last speaker a question. When did the foresters of Newfoundland first ask that their case be heard by brief or otherwise, and by the Legion or otherwise?

Mr. Jones: 1949.

Mr. Carter: I do not really know when they first asked. I know that they appeared before the parliamentary committee in 1958.

Mr. Pugh: You have no knowledge of anything earlier?

Mr. Carter: No, I have no knowledge.

The Chairman: The hon. member for Kootenay West has called it five o'clock. It being five o'clock and in order to permit the house to proceed to the consideration of private members' business, pursuant to section 3 of standing order 15 it is my duty to rise, report progress and request leave to sit again later this day or at the next sitting of the house as the case may be.

Progress reported.

Mr. Speaker: It being five o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely public bills and private bills.

RAILWAY ACT

AMENDMENT RESPECTING MAINTENANCE OF ABANDONED LINES

Mr. W. H. A. Thomas (Middlesex West) moved the second reading of Bill No. C-7, to amend the Railway Act (abandonment).

He said: Mr. Speaker, this bill should be very timely at this point in the history of Canada. The administration of the Railway Act is entrusted to the board of transport commissioners. The MacPherson commission has recommended that many of the uneconomic branch lines across Canada should be abandoned, and partly for that reason and partly for the reason that in cases where abandonment has already taken place it has been found that there is no adequate legislation to protect those who are seriously affected by such programs of abandonment, I have introduced this bill. Section 168 of the Railway Act reads as follows:

> The company may abandon the operation of any line of railway with the aproval of the board, and no company shall abandon the operation of any line of railway without such approval.

This bill, as stated in the explanatory note, seeks to make legislatively certain that the board of transport commissioners has authority to order railway companies to so maintain abandoned lines of railway as to prevent damages to the rights of persons or the interest of the public. This greater certainty is required because the board of transport commissioners holds itself bound by a judgment of the board of railway commissioners dated November 7, 1936 which excludes an abandoned line of railway from the definition of "railway" as given by parliament in the Railway Act.

The proposal, therefore, is to repeal section 168 of the present act and substitute therefor the following:

> The company may abandon the operation of any line of railway with the approval of the board and upon such terms and conditions subsequent as the board from time to time may by order provide, and no company shall abandon the operation of any line of railway without such approval or do, cause or permit to be done any matter, act or thing contrary to, or omit to do any matter, act or thing required by, the terms and conditions so provided;
>
> (2) Where an abandonment of the operation of a line of railway is or has been approved and thereby any person may suffer or has suffered diminution in the property enjoyment of his lands or other damages, the board shall order the company to carry out such remedial measures in the way of fencing, gates, cattleguards, weed control, drainage works, demolition, restoration or any other remedy as the board deems necessary.

The Railway Act fills 203 pages of the Revised Statutes of Canada, 1952. It was passed when railway construction began and was designed to protect the interests of those through whose property the railway passed, and also to protect the public during the operation of the railway. The Railway Act, as stated, provides for the abandonment of a railway line but it does not make any provision for the protection of adjacent property owners when a line is abandoned. Abandonment involves many problems. The MacPherson commission report on page 62 of volume 1 recommends the abandonment of 8,600 miles of uneconomic branch lines within the next few years. On page 156 of volume 2 of this report, the problem concerning rail-tied investments and transfer of grain storage is considered. The federation of agriculture in their brief presented to the government on February 7, 1962, also deals with the problem

of railway abandonment from the standpoint of farmers and grain producers on the prairies.

Now, I might expose the problem best by putting on the record the experience of a number of farmers in my own constituency of Middlesex West when the New York Central abandoned a branch line extending from Sinclair Junction to Courtright. The problems in this case were not connected with rail-tied investments or grain storage or even future planning, but they did concern such irritating problems as fencing, weed control, drainage and demolition.

The Courtright branch, as it was called, extended through Elgin, Middlesex and Lambton counties. It was built a great many years ago and, before the days of automobiles and trucks, was actively operated. Last year it was abandoned and the farms through which it passed were left in a mess. The rails were removed, the ties were torn up, the bridges were demolished and some cast iron culverts across the right of way were dug out. The fences were left unrepaired and in some cases broken down. The right of way was left to grow up to weeds and brush. The situation can best be explained by putting on the record the correspondence concerning the problems of one farmer which were, at his request, referred to the board of transport commissioners. This is a letter from me to the secretary of the board dated May 24, 1961, and it reads as follows:

Dear Mr. Rump:

I have a request from Mr. Donald W. Oke of Metcalfe township in the country of Middlesex, for information concerning responsibility for the upkeep of fences along the New York Central railway right of way which passes through his farm. This railway line has recently been abandoned. The tracks have been torn up, the ties removed and the culverts salvaged. For some years the policy of the railway company appears to have been to spend little or nothing on the upkeep of fences. Also, in their salvage operations along the right of way, earth was excavated and dropped on top of the fences destroying them in places.

Mr. Oke has pasture land on both sides of the track, but so far has been unable to use this pasture land in the present season because his cattle can wander on to the right of way and through the right of way to other properties and public highways. Mr. Oke has tried to reach agreement with the railway company for permission to build fences across the right of way at the end of his property so that his cattle could not escape. The railway refused him permission to do this unless he was willing to enter into a lease agreement.

I might say it was a very long term lease agreement.

Mr. Oke was notified by letter from the office of the divisional superintendent at St. Thomas, Mr. H. M. Badcock, dated May 15, 1961, that the railway was not in a financial position to maintain the fences concerned. The words used in the letter are as follows:

"The railroad is not in a financial position at this time to erect fences between our adjoining property in the vicinity of Walkers."

Mr. Oke is faced with another problem in connection with the abandonment of this railway line. The right of way, he reports, is overgrown with brush and burdocks and he prefers not to allow his cattle to wander among these burdocks because their hair and tails will become matted with burrs. In addition to having these noxious weed seeds spread over his pasture land, the burrs detract from appearance of his purebred cattle herd.

It is requested that your board advise what action Mr. Oke should take to have these fences maintained.

The reply of the board, signed by Mr. Rump and dated May 31, 1961, is as follows:

Dear Sir:

Reference is made to your letter dated May 24, in which you submit a complaint of Mr. Oke to the effect that the New York Central Railroad fails or refuses to maintain its fences alongside or across the right of way of its railway which has been abandoned.

By order no. 100227, dated January 15, 1960, the New York Central Railroad Company was authorized to abandon operation of its Sinclair branch from Sinclair junction to Courtright, Ontario, which includes that part of the right of way passing through Mr. Oke's property.

Where abandonment of operation has been authorized and has taken place, the right of way through which the railway operates ceases to be used for railway purposes and is held by the company, not as part of its railway but in the same way as land is held by private individuals and subject to any provincial or municipal laws in respect of fencing in force in the particular district. The board has no jurisdiction to order the railway company to maintain fences along a right of way in case of abandonment as aforesaid.

It would therefore appear that Mr. Oke's recourse is under such provincial and municipal laws as may be available in respect of fencing.

There is enclosed for your information copy of a board judgment re Cairns Brothers, dated November 7th, 1936, which sets forth the board's jurisdiction in respect of fencing.

As part of our case is based on this report I shall read through it as rapidly as I can, so that we can refer back to it. This judgment is dated November 7, 1936, and is written by Chief Commissioner Guthrie, concurred in by S. J. McLean and Mr. G. A. Stone. It reads as follows:

This is an application of Cairns Bros. for an order to compel the Canadian National Railways to erect fences along certain portions of their line of railway between Milbrook junction and Omemee, in the Province of Ontario, where the same passes through the lands of applicants, and which said line of railway, about 12 miles in length, was abandoned by the railway company pursuant to order of the board of railway commissioners for Canada, No. 39041, dated May 17, 1927, which said order was approved by His Excellency the governor general in council on June 24, 1927. After the approval of the said order by His Excellency the governor general in council as aforesaid, the Canadian National Railways abandoned the operation of the said 12 miles of railway. The road has since been dismantled by the removal of rails, ties, etc., and much of the fencing, if not all, upon both sides of the right of way throughout the whole distance where it crosses the applicants

property has been removed or destroyed, or is so greatly out of repair as to be of no value for protection as fencing.

After the abandonment of the line of railway, the railway company erected fences or barriers at each end of the abandoned right of way, but these erections have from time to time been destroyed or have fallen out of repair, and the public has used the right of way to some extent as an ordinary road for travel. As a consequence of the lack of fencing the applicants claim that they have been seriously damaged in respect of their farm which lies upon both sides of the railway right of way. They complain that trespassers and cattle get upon their property from time to time from the railway right of way and that there are no fences upon the right of way to prevent their so doing, and that under present circumstances they have suffered a great deal of damage and inconvenience in respect of their farm property and farm operations.

The application was heard in the city of Toronto on November 3, 1936, in the presence of the applicants and their counsel, and also in the presence of counsel for the railway company. At the conclusion of the hearing it was suggested that the railway company might at slight expense erect permanent barriers at each end of its abandoned line of railway where it crosses applicants' property, which would effectually stop trespassing and travel upon its former railway line in the vicinity of applicants' farm. Counsel for the railway company agreed to this suggestion and stated that the railway company would be willing to erect suitable barriers for such purpose at the above points, and would also erect and maintain proper signs or notices warning persons against trespassing and that the railway company would endeavour in any reasonable way to prosecute trespassers should the practice continue.

It is to be noted that the requirement for fencing is that the company shall erect and maintain fences upon the railway (section 274 of the Railway Act). Where abandonment of operation has been authorized and has taken place, the right of way through which the railway is operated ceases to be used for railway purposes and is held by the company, not as part of its railway qua railway company, but in the same way as land is held by private individuals, subject to any provincial or municipal laws which may be in force in the particular district.

It is to be further noted that the principal, if not the sole, reason for the fencing requirement in the Railway Act is to prevent cattle from getting upon railway lands and being killed or injured by railway operations. Where complete abandonment of a line of railway takes place, the necessity for fencing the line largely disappears, and the section does not apply. For these reasons the board, in my opinion, has no authority under the terms of the Railway Act to order the railway company to maintain fences upon the sides of its right of way under the circumstances which pertain in the present application. It is, of course, open to the applicants, if they so desire, to seek whatever remedy in respect of fencing may be available under the provisions of the provincial laws.

When it was pointed out to the applicants at the hearing that the board lacked jurisdiction to make an order such as the applicants desired, they were disposed to accept the suggestion above set out in regard to the erection of barriers by the railway company at each end of the abandoned right of way, where the same crosses the farm property of applicants. It may be that under all the circumstances it would be better to erect these barriers at the points where the right of way intersects the highways nearest to the property of the applicants. The erection of barriers at the highway intersections might effectually put a stop to the trespassing of which the applicants complain.

An order will, therefore, be issued in the above terms providing for the erection and maintenance of the said barriers and the notices to trespassers as above mentioned.

Time is running short but at this point I would like to point out two things, first that the board did issue an order after stating that they have no right to issue an order in a case such as this. That happened in the case of several other disputes of this nature, and it has been explained to me that these orders of the board were not intended as enforceable orders but in the nature of suggestions for the settlement of these disputes.

In one particular paragraph it states:

It is to be further noted that the principal, if not the sole, reason for the fencing requirement in the Railway Act is to prevent cattle from getting upon railway lands and being killed or injured by railway operation. Where complete abandonment of a line of railway takes place, the necessity for fencing the line largely disappears, and the section does not apply—

I wish to take issue with that statement because in subsection (5) of section 277 of the present act it is quite clearly indicated, I submit, that part of the idea of fencing is to take care of the conveniences and protect the conveniences of the farmers. Subsection (5) of section 277 reads as follows:

Where the railway is being constructed through enclosed lands, the company shall, by fencing its right of way before any existing fences are taken down or by other effective means, prevent cattle or other animals escaping from or getting upon such enclosed lands or from one enclosure to another or upon the property of the company by reason of such construction or of any act or thing done by the company, its contractors, agents or employees.

That certainly implies that fencing is not only necessary for the protection of railway property but is also necessary to prevent cattle wandering from field to field. Again, there is a section of the act which deals with weeds and another section of the act—

Mr. Speaker: I am sorry to interrupt the hon. member but his time has now expired.

Some hon. Members: Carry on.

Mr. Speaker: Does the house consent to the hon. member finishing his sentence?

Mr. Thomas: Mr. Speaker, a number of hon. members wish to discuss this matter from the standpoint of problems in their own areas across the country, so I will give way at this time. I wish to thank the house for its co-operation.

Mr. E. J. Campbell (Lambton-Kent): Mr. Speaker, I am very pleased to take advantage of this opportunity to say a few words in

support of the bill of my colleague from Middlesex West who comes from my neighbouring municipality and constituency.

This bill is intended to correct a situation which is, in my opinion also, an injustice caused in connection with the abandonment of railway rights of way. I approve and consider most commendable the purpose which is written in the bill itself. If I may quote that purpose again, it is this:

> The purpose of this bill is to make legislatively certain that the board of transport commissioners has authority to order railway companies to so maintain abandoned lines of railway as to prevent damages to the rights of persons or the interest of the public.

To my mind that is a most commendable purpose. Wherever such instances of abandonment take place they are almost certain to cause difficulties and inconveniences which are not of the making of the individuals affected. Since these things are not of the making of the individuals, and in the main have not been requested by the individual property owners but have been carried out to serve the public generally, it does not seem fair that the individual should be faced with the excessive costs that are the results of such abandonments taking place.

As I said, I am a neighbouring representative of my colleague who has just spoken and I believe I am affected in about the same way in that this railway which has been abandoned in our area crosses through the territory that I have the privilege and honour to represent.

The main cause of complaint that has come to me in this regard has been in connection with fencing. A number of individual property owners have asked me to make representations to the powers that be, because they have not been able to obtain what they consider to be a fair and equitable arrangement for the maintaining of the fences that are affecting them.

There are also other matters, such as grading—which has been mentioned by my colleague—drainage, bridges and culverts, and so on. I have had occasion to intercede on behalf of these people I have mentioned and I have been told that as a result of the abandonment of these railway lines the property now falls into the same position as that of any other ratepayer adjoining these properties, as far as the law is concerned. This law, as perhaps most hon. members know, provides that wherever fencing is required the people affected have the right to go to their municipal representatives and ask them to make a fence viewer's award in a case where they cannot agree as to the relative proportions of the cost of maintaining these fences.

As hon. members can readily understand, a rail line requires two fences in order to protect it. In the case where a rail line cuts a farm property it is necessary to maintain two additional fences across that property in order to protect the cattle or livestock, whatever they may be, from the hazards and dangers of the railway. Where the rail line has ceased to function it means that the farmer must pay the cost of one complete fence across his property which in the first place is cut in two, and in regard to which he has no access to the back. He must maintain a fence through it in order to protect his cattle from getting out and getting into trouble. To my mind the cost involved is prohibitive for him because I presume the value of the land involved—which would only be a few acres at the most—would in some cases not be equal to the value of the fence.

I should also like to say a few words about the question of drainage. I believe that our laws, particularly in Ontario, provide that wherever one interferes with the free flow of water one automatically becomes responsible for carrying his share of the cost of taking that water to a place where it will do no damage to lands or roads. In the case where a grade is built up or a hill is cut down, it has the effect of either increasing the flow of water beyond that which nature would allow, or it has the opposite effect of cutting off the free flow of water so that it cannot be carried to a point where it will do no damage to lands or roads.

The result is that the farmer must suffer additional damage as a result of water that is artificially cut off from its natural flow. Where culverts are taken out, naturally they will erode and fill in. This will cause a natural dam because there would have been a grade built by the railway in order to build up its line to the place where it would give the best service.

I do not think I am in a position to stress any of the other things which have been mentioned and which the hon. member for Middlesex West (Mr. Thomas) has covered very fully. I will conclude by saying that I agree with the bill and I should like to see authority vested in the board of transport commissioners so they would be able to order that lines shall be maintained where there has been an abandonment.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, Bill No. C-7 which we are now considering most certainly has our sympathy. In principle it goes far deeper than even the actual wording of the bill. The title of the bill is an act to amend the Railway Act

(abandonment). The foremost principles outlined therein are to the effect that the company may abandon the operation of any line of railway with the approval of the board and upon such terms and conditions subsequent as the board from time to time may by order provide. The basic concept of the bill is that there shall be no abandonment until or unless the company has complied with any order by the board to carry out remedial measures in the way of fencing, gates, cattle-guards, weed control, drainage works, demolition and so on.

What is outlined here is certainly important. We should like to congratulate the hon. member for having introduced this bill because of the basic, underlying, important, fundamental principle which is directly and indirectly conveyed in the measure, that is, the question of the abandonment of railway lines and the effect of so doing upon the public in general, upon farmers and upon industry. That is why we feel this bill is important. I think we are too prone to forget the basis upon which the transcontinental railways of Canada were built. The primary object was to link Canada from the Atlantic to the Pacific in order to develop the economy of our country. To make this possible not only were hundreds of millions of dollars granted through the medium of the federal government but other considerations were forthcoming by way of grants of land and mineral resources which over the years have amounted to billions of dollars. The idea was to open Canada for development and, in addition, to give service to the Canadian people in perpetuity because of the billions which had been granted to the companies in cash or resources.

In the last few years, however, applications have been made from time to time to the board of transport commissioners for the abandonment of lines which, in the estimation of the railway companies, can no longer be operated at a profit. That, I say, is the fundamental issue which is before us now because of this bill. It affects all Canada. It affects us in the province of British Columbia. I have particularly in mind the Kettle valley line which is a major transportation system in our province going from Vancouver through the cities of Penticton, Castlegar, Trail, Nelson and Fernie to Lethbridge. Although this line is not completely abandoned it is partly abandoned to the extent that as far as service to the public is concerned in all the cities I have named it is basically operated only for one reason and that is the convenience of the Consolidated Mining and Smelting Company for freight transfer and, of course, the majority stockholder in that company is the Canadian Pacific Railway. So we are facing not only the question of abandonment but of the partial abandonment of service to the people of Canada who have contributed so much of their God-given resources and hard cash to these companies over the years. There is no question that the hon. member who moved this bill and the speaker who preceded me were completely correct in saying that now, before it is too late, steps must be taken to protect the public.

We think the introduction of this bill will serve to draw the attention of the government and of the board of transport commissioners to the need, when any application is made for the abandonment of rail lines, of consideration being given to those who have established themselves, whether on farms or in industry, for time during which to make transportation readjustments and for adequate and fair compensation for any increased costs which they may have to incur because of the abandonment of the lines. Without going into great detail I should like to say that as far as this group is concerned, we ask, in supporting this Bill No. C-7, that some thought be given by the board of transport commissioners to the public service which is being provided to our people and to the obligation which the railways owe to them because of past gifts. We ask that when any request is made for abandonment the transportation commissioners should keep in mind that agreement to abandon must be on terms providing that new types of transportation have been installed so as to maintain those whose work or service would be disrupted because of abandonment. Also, I hope the board will bear in mind the extra cost which may have to be incurred by industrialists and farmers affected by abandonment, and that in view of this extra cost the board will order compensation to be paid over whatever period of time may seem necessary. This is an important matter of vital principle which should be attended to immediately by the government and by the board of transport commissioners both for the protection of our economy and also of those who have invested their physical and mental labour or money in projects because of the railway services which previously existed. In other words, there must be a time period ordered by the board of transport commissioners during which other means of transportation may be established, and provision made for compensation to those who incur increased cost in getting their products to the markets of the world.

Mr. J. A. McBain (Elgin): I am pleased to give my support to this bill in the name of the hon. member for Middlesex West (Mr. Thomas). I am also pleased that the hon.

member for Vancouver East (Mr. Winch) has indicated the support of his party for this measure. I think the amendment is important in view of the fact that the board of transport commissioners is being asked by the two major railways in Canada for permission to discontinue a number of branch lines which, in the opinion of the railways, have become uneconomic.

Within the past week the Canadian Federation of Agriculture presented a brief to the Prime Minister and the cabinet. They are concerned in that brief with the abandonment of railway lines in Canada. I wish to quote some comments from their brief on this subject:

> However, on two major points of policy we are quite clear. The first concerns abandonment of branch lines. Conceding that there will and should be abandonment of a considerable number of branch lines over the next number of years, we would emphasize as strongly as possible that branch line abandonment, especially in the grain economy of western Canada but in many other cases also, can have severe repercussions on business using these lines and on farmers. The central need in this connection is to avoid ill-considered, overhasty, and unco-ordinated programs of branch line abandonment.
>
> Our recommendation is that the government and board of transport commissioners should insist that before further abandonment is proceeded with a long range plan for abandonment and relocation of displaced elevator and other facilities should be developed which embraces in one plan the operations of both railways. It should insist also on a reasonable notice of perhaps five years to be given before abandonment. The government should develop, in advance of co-operating in a program of branch line abandonment, adequate policies with respect to depreciation allowances on needed new facilities, on facilities which will require to be abandoned, and where necessary for recovery of costs of investment on abandoned branches. Given such an orderly, over-all plan, adequate consultation with producers and other interested parties on the plan, and necessary subsidiary tax and compensation policies, it should be possible for constructive progress to be made with fairness to all concerned.

In the province of Ontario, the federation of agriculture has established a land acquisition committee under the chairmanship of Mr. Jack Ferguson, past president of the Ontario federation of agriculture. For a number of years this committee has been engaged in making an intensive study and survey of the effects on farm property of power lines, pipe lines, railroads and other public services. I understand this committee has gone on record as saying that action be taken similar to that recommended in the proposal of the hon. member for Middlesex West.

At the present time, the Ontario federation of agriculture along with the county branches in Lambton, Middlesex and Elgin have formed a joint committee and are or will be holding meetings or circulating petitions among those persons involved to gain their views on the abandonment of the New York Central line through these three counties. I refer to the line running from St. Thomas known as the Saint Clair line. The abandonment of railway lines is always of concern to county weed inspectors and their views will also be considered.

I offer for consideration the following suggestion. After a railway line has been discontinued for a certain period of time—we might use the period of five years, for example—and the tracks removed, the land would revert to the original deed. It would then become the responsibility of the now present owner to keep it fenced and to control the weeds. In case of dispute over line fences they would then come, in this province, under the Ontario line fence act and be subject to a decision rendered by the fence viewers of the local municipality.

I personally have recollection of a railroad line in the riding of Elgin being discontinued, but of course this took place approximately 40 years ago. The line at that time was known as the London and Port Stanley Traction Company. It was an electric railway handling mainly passengers and express. I do not think the line had to discontinue by reason of competition from motor cars and trucks; rather, it was as a result of competition from a competitive electric railroad serving the same area. When the tracks were removed the people in the area were given the opportunity to remove the ballast along the right of way for use in building up their own roadways or drives. Eventually the land reverted to the original owners and in a few years time the right of way was levelled and became once again productive, agricultural land. Much of this line ran along what is now No. 4 highway. The Ontario department of highways took over the abandoned line when the highway was widened.

In my estimation Bill No. 7 as introduced by the hon. member for Middlesex West (Mr. Thomas) is very timely. I hope it receives not only favourable consideration by hon. members of this house but, as well, support from the cabinet and the board of transport commissioners.

Mr. J. H. Horner (Acadia): Mr. Speaker, as was mentioned by the previous speaker in his closing remarks this bill is certainly timely, particularly in relation to my constituency. A number of branch lines have been abandoned in the last 25 years and the people in my area are concerned over the fact that we might again be faced with further rail line abandonment. In fact the railroads are now applying for permission to abandon a short stretch of railway in the area. Bill No. C-7 is therefore of vital interest to my constituency.

Under present conditions a railway must apply for permission to abandon a line but the board of transport commissioners imposes no qualifications with respect to abandonment. In other words, once permission is granted the railway may remove itself from the picture as rapidly as it can, leaving behind as little mess as possible, but with no regard for the people affected. The railways are free to take that course if they wish.

When it is found necessary to abandon a line considerable hardship is imposed on the owners of property located along the railway and particularly property owners such as the owners of small businesses in communities or small towns. It is true that some businesses are not today patronizing the railways as much as they should be. However, the loss of a railway greatly affects a small community.

Elevator companies are also vastly affected by rail line abandonment. In the last five or six years elevator companies have taken the position of stating that the larger the elevator, the cheaper costs of operating the elevator and handling grain. They have produced statistics showing that an elevator with a capacity of 100,000 bushels can handle grain at half the cost of an elevator with a capacity of 25,000 or 30,000 bushels. This may be true, but certainly if a rail line is abandoned you have an elevator left which is merely salvage. As soon as it was empty I imagine it would be torn down. The elevator companies stand to lose a considerable amount in any abandonment of a rail line, but I am not really concerned about the position of the elevator companies.

The aspect at which I think the board of transport commissioners should take a serious look is the greater hardship and difficulty people will have in getting their products to market and the losses people will suffer because of property devaluation. Many persons have built homes in these small towns in the hope that the towns will continue to flourish and that they will be able to spend the rest of their days there; but they find that these towns are slowly fading away. If the railway line is abandoned and the tracks are pulled up, then sooner or later businesses will leave these towns and the people will either have to move to another town or continue to live in a ghost town.

This is the part of the problem that concerns me, and I think that the railways should bear some responsibility in this regard. As the hon. member for Vancouver East (Mr. Winch) mentioned, this bill should serve to bring this problem to the attention of the cabinet and the board of transport commissioners. I think it should also serve to bring the problem to the forefront so far as the railway companies are concerned and in my view they should give the whole matter very serious consideration because in western Canada particularly towns sprung up as a result of the urging of the railway companies.

The railway companies bought land and laid out town sites. In many cases they sold lots to businessmen who wanted to establish businesses. They encouraged men to invest their life savings in these towns along the railway lines, and if these lines are abandoned the railway should share some responsibility for the loss these people will suffer and the greater hardships that farmers, mines and so on will face in getting their products to market.

When one of the railways applies to the board of transport commissioners for permission to abandon a railway line, certainly the board must look into the problem to ascertain how many people are affected, how much business is affected, how grain handling facilities will be affected and how much of a loss the railway is suffering in its operation of the line. Then the board must weigh the one against the other. When the board is making its very thorough investigation with regard to the loss suffered by the railway and the potential loss to business people, farmers, tradesmen and workers in the area, surely it should not be too much to expect it to impose regulations on the railway as to how the abandonment should take place and who should be compensated for what. This only seems right, and perhaps in most cases the board would do this; but as I understand the act the railways could not be forced to follow such policy or regulations outlined by the board of transport commissioners.

I know that a great deal of hardship could be experienced as a result of the abandonment of certain rail lines. It would cause workers who derive their livelihood from the railways to change their occupation. It is a common statement for the railways to make that they will make room for such people elsewhere in the system, but we are all aware of the bumping that takes place on the railways and somebody down the line gets bumped out of a job. This is the sort of thing that could happen to people actually concerned in the operating of the railway lines. Then there are the people whose property will perhaps go right down to nil in value because of the loss of the railway line passing their property. I think this will be the actual result in the case of a great many towns but it will take a number of years for it to happen. I am certain that will be the result in many small places.

Very few small places in western Canada will continue to exist without a railway line running through them. Farmers will have to

haul grain a greater distance to another elevator on another track so that the grain can be moved to the lakehead or to the west coast for shipment. This will undoubtedly mean greater cost which will have to be borne by the farmer who has to get his grain to market. It is quite clear that the board has to rule on abandonment and I think it should also rule on how abandonment will take place and how compensation will be paid. Certainly the railways should accept their responsibility and realize that they owe some compensation to those people who suffer by reason of the abandonment of a rail line.

BUSINESS OF THE HOUSE

Mr. Chevrier: Mr. Speaker, may I inquire whether on Monday we will go back to the speech from the throne and, if not, what the business for that day and subsequent days will be?

Mr. Churchill: Mr. Speaker, we will carry on with legislation on Monday. The first item will be third reading of Bill No. C-62 dealing with amendments to the Disabled Persons Act. The second item will be the resolution in the name of the Minister of Transport concerning a railway line at Whitecourt, Alberta; third, second reading of Bill No. C-48, respecting a railway line at Chisel lake, Manitoba; fourth, the resolution in the name of the Minister of Transport which appears in *Votes and Proceedings* for yesterday and deals with a proposed railway line in the Gaspe peninsula.

If we can finish these items we will then carry on with the four items I have had on the order paper dealing with veterans affairs, starting off with the resolution we have been discussing today and followed by the resolution dealing with the Children of War Dead (Education Assistance) Act and then Bill No. C-36 and Bill No. C-37.

Mr. Chevrier: Mr. Speaker, I should like to point out to the house leader that we gave an undertaking to expedite one of the measures on the order paper. I think it is the second or perhaps the first one mentioned by the house leader a moment ago, the first railway measure. We gave that undertaking provided the house would then go back to the debate on the speech from the throne; but in the light of the announcement which the house leader has made we may now have to reconsider that position.

Mr. Churchill: Expediting any of the business I have announced would be met with pleasure on this side of the house and we could then get back to the speech from the throne.

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

HOUSE OF COMMONS

Monday, February 12, 1962

The house met at 2.30 p.m.

EXTERNAL AFFAIRS

APPOINTMENT OF AMBASSADOR TO UNITED STATES

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I wish to announce the appointment of Mr. Charles S. A. Ritchie as ambassador of Canada to the United States of America. Mr. Ritchie, who is at present permanent representatives of Canada to the United Nations, will succeed Mr. A. D. P. Heeney.

I should like to pay tribute to the outstanding service rendered by Mr. Heeney in his two tours as Canadian ambassador in Washington. He has rightly earned the highest commendation for his devoted and highly successful role as Canada's representative in the United States. His next assignment and the name of Mr. Ritchie's successor at the United Nations will be the subject of announcements at an early date.

Since joining the Department of External Affairs in 1934 Mr. Ritchie, who studied at the University of King's College, Halifax, Oxford, Harvard and the Ecole Libre de Sciences Politiques in Paris, has held a variety of important appointments at home and abroad. His first assignment abroad was in Washington in 1936 and during the war years he was a member of the high commissioner's staff at Canada house in London. He later served as counsellor at the Canadian embassy in Paris. In 1950 he became an assistant under secretary of state for external affairs, and in 1952 he was appointed deputy under secretary. He was appointed ambassador to the Federal Republic of Germany and head of the military mission, Berlin, in 1954. In 1957 he was appointed permanent representative of Canada to the United Nations. As Canada's representative there he made a valuable contribution in furthering Canadian aims in the world forum. We believe that Mr. Ritchie is particularly well qualified to discharge the important duties of head of the Canadian diplomatic mission in Washington.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I am sure that all hon. members of the house will have heard with great interest about the appointment of Mr. Ritchie to this very important diplomatic post of Canadian ambassador to the United States, a post which has been filled with such great distinction, as the Prime Minister said, for some years now by Mr. Heeney, whose retirement we all regret. Mr. Heeney has not only served Canada well in Washington but in many other capacities, and I have no doubt there will be some opportunity for the country to avail itself of his services again in the future.

If Mr. Heeney is to leave Washington I can think of no better man in the Canadian diplomatic service to take his place than Mr. Charles Ritchie. As the Prime Minister has pointed out, he is an officer with great experience and ability and he has discharged, I think, all the duties that he has been asked to discharge with great efficiency and devotion. We on this side feel that this is a first class appointment, and we wish Mr. Ritchie well in his new post.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, this group heartily endorses the remarks of the leader of the official opposition with respect to the services Mr. Heeney has rendered Canada as Canadian ambassador to the United States, and with respect to the service rendered in the past to Canada by Mr. Ritchie and the greater service he now has the opportunity to render through his appointment as Canadian ambassador to the United States.

MAIN ESTIMATES, 1962-63

EXPLANATORY STATEMENT OF THE MINISTER OF FINANCE

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1963, was presented by Hon. Donald M. Fleming (Minister of Finance) and read by Mr. Speaker to the house.

Hon. Donald M. Fleming (Minister of Finance): I have introduced the main estimates for the new fiscal year commencing April 1, 1962. They contemplate total budgetary expenditures of $6,276.2 million. Taking account of the result of the new fiscal arrangements with the provinces, this represents a decrease of $203.4 million as compared with a total of $6,479.6 million provided in the estimates tabled to date for the present fiscal year. Further details are available in a

statement which has been issued to the press in keeping with the practice and on the terms prevailing for many years.

I should like to draw to the attention of the house certain notable changes which hon. members will find in the form and content of the estimates. During the session of 1960-61 the standing committee on public accounts of the House of Commons examined the form and content of the estimates. The committee in its report to the House of Commons on June 20, 1961 recommended several changes in the form of the estimates. All of these changes have been implemented in the main estimates for 1962-63.

The changes are of two types; first, those related to the form of the estimates, such as:

(a) the introduction of a new "permanent numbers" vote numbering system;

(b) the inclusion of vote numbers in the details section;

(c) the addition of a table of contents to the estimates book;

(d) the rearrangement of the sequence of information so that the details section of each departmental class would be located immediately following the vote section for that class.

The second type of change concerns the content of the estimates. Here the committee recommended the distribution, for information purposes, of the costs of major common services which are provided to other departments without a corresponding charge to their appropriations. It also recommended the rearrangement of staff detail in a manner which would result in a clearer understanding of establishment proposals.

An improved vote numbering system has been devised which will allow the printing of vote numbers in the details of estimates without causing delays in tabling estimates. It also has other advantages over the numbering system used heretofore. The essence of the new system is that annually recurring votes will be designated by the same vote numbers from year to year and supplementary votes will bear the same basic numbers as their related main estimates votes.

A criticism of Canadian estimates in the past has been that the total cost of a particular departmental area was difficult to assess because the estimates for that department did not contain provision for common services which were performed by other government agencies and provided to them free of charge. To assist in arriving at a reasonable picture of total cost without the introduction of costly accounting practices, there is now included in the details of services for each area identified in the over-all summary in the front of the blue book a list of the major services provided free of charge to that department together with their estimated costs. In addition, the cost of accommodation provided in earlier estimates is now shown.

Salary details accounted for about 200 of the 610 pages in the blue book for 1961-62 and involved departments in thousands of man hours of work calculating their detailed costings. Moreover, because of its size and complexity its value to members of parliament as supporting detail for the "Salaries" object of expenditure was considered questionable. A new form of staff detail has been adopted in which the total personnel establishment provided for in each vote is first divided, to show tenure or security of employment, into "Continuing Establishment" and "Casuals and Others". For the former, both numbers of positions and their man year equivalents are provided. The addition of man years for "Casuals and Others" provides a measure in other than dollar terms for the total establishment.

The committee in its report invited attention to other possible changes. These are under study and will be discussed in due course with the standing committee on public accounts. It is considered that the changes recommended by the committee and incorporated in these estimates represent a major improvement.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, the minister in tabling the estimates which amount this year to $6,276.2 million has indicated that this is a reduction over the estimates of last year. The minister, of course, is comparing the main estimates of this year with the main estimates plus the three supplementary estimates of last year. If a comparison is made between the main estimates of this year and last year—and that is, of course, the valid comparison—it shows a very considerable increase.

There have been $400 million of supplementary estimates, and on the assumption that there will be supplementary estimates again this year it will not be likely that we will have reduction in expenditures as indicated by the minister in comparing the main estimates of the forcoming year and the main and $400 million of supplementary estimates for the current year.

In tabling these estimates I believe the minister has given us every reason to feel, now that the estimates have been tabled, that the budget will not be long behind.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, we listened with interest to the minister's statement with respect to the tabling of the estimates, but wish to reserve

any comment on the first part of the statement until we have had an opportunity to read it and make certain of the facts.

We are pleased to know that the government has given favourable consideration to the recommendation of the public accounts committee with respect to the form in which the estimates will be brought forward. Hon. members of this group, particularly the hon. member for Vancouver East, took an active part in that committee in discussing these proposed improvements.

We are convinced that the introduction of the estimates in this new form will make possible a more logical presentation and a better sequence. It will better suit the convenience of hon. members, provide for a greater understanding on the part of the public and, we hope, will mean some saving of time and money.

Mr. Fleming (Eglinton) moved:

That the message of His Excellency together with the estimates presented this day, be referred to the committee of supply.

He said: I give the house an undertaking not to move to consider these estimates in committee of supply until the debate on the speech from the throne is concluded.

Motion agreed to.

PRIVILEGE

MR. SEVIGNY—CLARIFICATION OF SPEECH IN MONTREAL ON FEBRUARY 8

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker I rise on a question of personal privilege. Reference was made in this house on Friday last during my absence, to a speech which I made in Montreal on February 8. In that speech I voiced my concern over the spread of the communist ideology in various countries of the world. I made certain comments about British Guiana and Ecuador in this connection. I have since been satisfied that the governments of those countries are not communist, and I am glad to correct the statement I made. In fact, to any government trying to lead its people closer to our democratic thinking I gladly offer my congratulations.

I also made some reference to the spread of communism in the Far East and to the threat thereby posed to the west. I wish to make it amply clear that I was referring only to the threat presented by the military strength of communist China.

I guess I was a little out of line in that speech Mr. Speaker. I sincerely regret any misunderstandings or wrong conclusions which may have resulted from my statements, and I trust that my explanation will serve to clear them up.

[*Later:*]

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Associate Minister of National Defence. In view of his recent and most unfortunate blunder in respect of the political complexions of various states, would he agree he would be well advised in future to consult with the Secretary of State for External Affairs before making similar announcements?

Some hon. Members: Shame.

Mr. Speaker: That certainly is not asking for information, which is the limitation on questions dealt with during orders of the day. If the hon. member wishes a debate, then he must find another time.

AGRICULTURE

WOOL—ANNOUNCEMENT OF DEFICIENCY PAYMENT

Hon. J. A. MacLean (Acting Minister of Agriculture): Mr. Speaker, on behalf of the Minister of Agriculture, who as hon. members know is ill, I wish to announce that the agricultural stabilization board will make a deficiency payment of 22 cents a pound on the 1961 wool clip. This payment compares with the deficiency payment of 23 cents a pound paid on the 1960 wool clip last year.

The deficiency payment is calculated as the difference between the stabilization price of 60 cents a pound and the average market price per pound f.o.b. Toronto for the basic grades western range choice, half blood staple, and eastern domestic, quarter blood staple, combined.

It is estimated that the 1961 production of wool will be the same as the 1960 wool clip of approximately 6 million pounds.

Cheques to producers for deliveries of 20 pounds or more of eligible graded wool which have been reported to the agricultural stabilization board will be issued as soon as possible, and it is expected they will be mailed within the next three or four weeks.

CANADIAN NATIONAL RAILWAYS

CONSTRUCTION OF BRANCH LINE BETWEEN MATANE AND STE. ANNE DES MONTS, QUE.

Mr. Speaker: Is the minister asking for unanimous consent with respect to this motion in order to have the subject matter dealt with later today?

Hon. Leon Balcer (Minister of Transport): Yes, Mr. Speaker. If it is possible to obtain that consent I would appreciate it.

Questions

Mr. Speaker: The motion appearing on the order paper reads:

That the house do go into committee of the whole at its next sitting—

I understand that the minister is asking for unanimous consent to alter the motion so that it will read "next sitting or later this day, as the case may be".

Hon. Lionel Chevrier (Laurier): The matter was raised on the business of the house on Friday, Mr. Speaker, but while it was mentioned by the house leader I do not think any request was made for unanimous consent. While there is no objection to taking the two railways items referred to by the house leader, I think there would be objection in this case. My suggestion therefore is that the matter be taken up at another sitting.

Mr. Balcer moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to authorize and to provide for the construction and operation on behalf of Her Majesty of a line of railway in the province of Quebec, between Matane and Ste. Anne des Monts, a distance of approximately 57 miles; to provide also that the governor in council shall pay to the Canadian National Railway Company an amount equal to the cost to the said company of constructing the railway line (including the cost of survey of location and the cost of acquisition of the land required for the railway line) not exceeding in any case the sum of $16,100,000.

Motion agreed to.

CROWN CORPORATIONS

PROVISION FOR PAYMENT OF CERTAIN PROVINCIAL TAXES AND FEES

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

That it is expedient to introduce a measure to provide for the payment of certain provincial taxes and fees by crown corporations on or after the 1st day of April, 1962.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*TRANSPORT DEPARTMENT—CIVILIAN EMPLOYMENT

Question No. 107—**Mr. Howard:**

1. Does the Department of Transport for the purpose of hiring civilian employees, use the facilities of (a) the national employment service (b) its own department, or (c) a combination of each in Victoria, British Columbia?

2. For each year since January 1, 1958, what number of employees were hired (a) through each of the said facilities referred to in part 1, (b) through the national employment service in Canada, (c) through its own department in Canada?

Mr. Balcer:

1. For positions which are exempt from the Civil Service Act the department uses its own facilities, or a combination of its own facilities and those of the national employment service in Victoria, B.C.

2. In Victoria, B.C., for each year since January 1, 1958, the following numbers of employees were hired through the facilities indicated:

	1958	1959	1960	1961	1962
Through applications made direct to the department	94	120	76	117	18
Through a combination of the facilities of the national employment service and the department	50	56	116	80	3

Positions coming under the Civil Service Act are filled through the facilities of the civil service commission.

*NEW LIGHTHOUSE, YARMOUTH, N.S.

Question No. 109—**Mr. Pickersgill:**

1. Was the old lighthouse at Yarmouth, Nova Scotia, torn down and replaced and if so, was any undertaking given that the new lighthouse would be a faithful replica of the old lighthouse?

2. Are the dimensions of the new lighthouse the same as those of the old lighthouse and, if not, what is the difference?

Mr. Balcer:

1. Shortly after the Department of Transport awarded a contract for a new lighthouse at Yarmouth, the then mayor of Yarmouth requested the new structure be a replica of the old lighthouse. Through the hon. member for Shelburne-Yarmouth-Clare it was announced that the department would attempt to make the structure an outward replica. In recognition of the historical importance of the light, the department did its best to achieve similarity to the extent feasible. This necessitated redesigning the structure very substantially, at an increased cost of $3,200.

2. Because the new structure is semi-automatic and electrically operated the space requirement is quite different and consequently the diameter is smaller; the height is approximately the same.

POST OFFICE, FORT WILLIAM

Question No. 111—**Mr. Badanai:**

1. Has the Minister of Public Works received a request for a new post office for Fort William?

2. Is the Department of Public Works planning an extension to the present post office building?

3. Is the department planning the construction of a new building in a location presently held by the department at the intersection of Leith and Archibald streets?

Answer by: **Mr. Walker:**

1. Yes.
2. No.
3. Yes.

*PER CAPITA PRODUCTION OUTPUT AND NATIONAL DEBT

Question No. 116—**Mr. Matheson:**

1. What is the production output per capita, together with percentage change, for the years 1956 to 1961?

2. What is the national debt per employed person for these years?

Mr. Morris: Mr. Speaker, the reply to this question involves 11 statistical tables, two definitions and two other pieces of information. I wonder whether it might be printed in *Hansard* at this place without the answer being given verbally.

Mr. Speaker: Agreed?

Some hon. Members: Agreed.

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

1.

	G.N.P. in current dollars	G.N.P. in constant (1957) dollars	G.N.P. in current dollars per capita	G.N.P. in constant (1957) dollars per capita	percentage change in current dollars	percentage change in constant (1957) dollars
	Millions of dollars		$	$		
1955	27,132	29,018	1,728	1,849	—	—
1956	30,585	31,508	1,902	1,959	+10.1	+5.9
1957	31,909	31,909	1,924	1,924	+ 1.2	−1.8
1958	32,867	32,110	1,928	1,884	+ 0.2	−2.1
1959	34,857	33,211	1,998	1,904	+ 3.6	+1.1
1960	35,959	33,807	2,019	1,898	+ 1.1	−0.3
1961	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

2. The net debt per employed person, calculated by dividing the annual average labour force employed for a given calendar year, into the net debt of the government of Canada as at March 31 of that year, is as follows:

Net debt of the government of Canada

As at	Net Debt*
Mar. 31, 1956	11,280,369
Mar. 31, 1957	11,007,651
Mar. 31, 1958	11,046,274
Mar. 31, 1959	11,678,390
Mar. 31, 1960	12,089,194
Mar. 31, 1961	12,437,115

Annual average labour force employed		Net debt per employed person
Year	No. ('000)†	($)
1956	5,585	2,020
1957	5,725	1,923
1958	5,695	1,940
1959	5,865	1,994
1960	5,955	2,030
1961	6,049	2,056

*Source: Public accounts of Canada for the fiscal year ended March 31, 1961, volume I, page 229, issued by the federal Department of Finance, Ottawa.

†Source: Labour Force, December 1961, published by the dominion bureau of statistics, Ottawa (catalogue No. 71-001).

Note: Page 134, 1961 public accounts: "The net debt of Canada is represented by the excess of liabilities over the recorded net assets, or, in effect, the accumulated deficit since confederation."

TECHNICAL AND VOCATIONAL TRAINING ASSISTANCE, QUE. AND ONT.

Question No. 117—**Mr. Bourbonnais:**

1. Since January 1, 1961, have the governments of the provinces of Quebec and Ontario made any agreements with the federal Department of Labour concerning the assistance granted by the said department under the Technical and Vocational Training Assistance Act?

2. If so, what amounts will the province of Quebec receive pursuant to the said agreements?

3. What amounts will the province of Ontario receive pursuant to the same agreements?

Questions

Answer by: **Mr. Starr:**

1. Yes.

2. Pursuant to the technical and vocational training agreement, the federal government pays to the province of Quebec the following percentage of contributions to provincial expenditures incurred on the programs listed:

Vocational high school program: Up to an annual allotment of $877,300. The estimated annual payment for 1961-62 is $500,000.

Technician training program: 50 per cent of provincial costs. The federal payment for the fiscal year 1961-62 is estimated to be $4,950,000.

Trade and other occupational training program: 50 per cent of provincial costs. For the fiscal year 1961-62 the federal payment is estimated at $3,000,000.

Training in co-operation with industry: 50 per cent of provincial costs. For the fiscal year 1961-62 the federal payment is estimated at $60,000.

Student aid: Annual allotment of $100,000, or 50 per cent of provincial expenditures, whichever is the lesser.

Training of disabled persons: 50 per cent of provincial costs. For the fiscal year 1961-62 the federal payment is estimated at $200,000.

Training of technical and vocational teachers: 50 per cent of provincial costs. For the fiscal year 1961-62 the federal payment is estimated at $65,000.

Technical and vocational correspondence courses: 50 per cent of provincial costs. For the fiscal year 1961-62 the federal payment is estimated at $62,500.

Training of unemployed persons: 75 per cent of provincial costs for each fiscal year if the number of student training days in that fiscal year exceeds 226,400. If this minimum number of student days is not exceeded in any fiscal year the federal contribution will be 50 per cent of provincial costs. Estimated federal payments for the fiscal year 1961-62 are $1,125,000.

The total estimated federal payments for the fiscal year 1961-62 for these operational programs will be in the neighbourhood of $10,000,000 for the province of Quebec.

In addition, the federal government contributes 75 per cent of approved capital expenditures (buildings and equipment) incurred prior to April 1, 1963 and 50 per cent thereafter to March 31, 1967 used for technical and vocational training. The contribution to provincial expenditures under this category for the fiscal year 1961-62 in the province of Quebec is estimated at $3,800,000.

3. The technical and vocational training agreement with the province of Ontario is identical to that entered into with the province of Quebec with the exception that the annual allotment for vocational high school training in Ontario is limited to a federal payment of $823,800. The ultimate federal contribution to the province of Ontario for all programs under the agreement for the fiscal year 1961-62 is estimated at $44,000,000. The larger federal payment to Ontario as compared to Quebec for the fiscal year 1961-62 is due principally to a more extensive capital building program being carried on by Ontario during the current fiscal year than is the case in the province of Quebec, i.e. in the province of Quebec, the federal government has approved, to date, of ten capital projects submissions by the province, involving a total federal payment of approximately $5,000,000, whereas in the province of Ontario, 143 projects submissions have been approved, involving an estimated federal payment of approximately $119,000,000.

The agreements in question cover a six year period. Consequently, it is not possible to estimate at this early date the ultimate federal payments which will be made during the life of the agreements in these two provinces, since this would depend on the extent of provincial expenditures under the various training programs.

[Mr. Bourbonnais.]

COMPENSATION FOR RABIES-INFECTED ANIMALS, QUEBEC

Question No. 118—**Mr. Martel:**

1. Has compensation for rabies-infected animals been paid to Quebec farmers since 1959?

2. If not, have talks been held between the authorities of the federal and the provincial departments with a view to having such compensation paid to Quebec farmers who owned animals that have died as a result of rabies?

3. Will the correspondence relating thereto, exchanged between Ottawa and Quebec since 1959, be tabled?

Answer by: **Mr. Charlton:**

1. No.

2. No.

3. There has been no correspondence.

*MEAT UNFIT FOR HUMAN CONSUMPTION

Question No. 120—**Mr. Michaud:**

Has the Minister of National Health and Welfare received representations from the municipality of the county of Halifax requesting a stepped-up program in relation to the sale of meat unfit for human consumption; and, if so, what action, if any, has been taken by the government?

Mr. Cardiff: Mr. Speaker, I should like to inform the hon. member that the minister has received a communication from the municipality of the county of Halifax requesting a stepped up program in relation to the sale of meat unfit for human consumption.

The municipality was advised by letter that the minister has been in touch with the

provincial ministers of health on the general subject of meat inspection, and that departmental officers have gone into the matter with officers of the federal Department of Agriculture. Investigations are continuing in several parts of the country, while a number of cases involving meat sales in the province of Ontario are now before the courts.

NEWFOUNDLAND TRANSPORTATION CO.—SUBSIDY PAYMENTS

Question No. 128—**Mr. McGrath:**

1. Have there been any subsidies paid by the Canadian maritime commission to the Newfoundland Transportation Company Limited since August 1959?

2. If so, what was the amount of such subsidies for each fiscal year to March 31, 1961?

3. What is the estimated amount for the fiscal year ending March 31, 1962?

Answer by: **Mr. Balcer:**

1. Yes.

2 and 3. Agreements with the Newfoundland Transportation Company were not made for fiscal year periods. An agreement for service from August 1, 1960, to July 31, 1961, was made for a subsidy of $149,414 of which $60,000 has been paid. A further agreement covering the period August 1, 1961, to March 31, 1962, provides for a subsidy of $125,000.

*C.N.R. CAPITAL REORGANIZATION

Question No. 135—**Mr. Fisher:**

1. In relation to the proposal of the Canadian National Railways that the government assume liability for a further portion of the C.N.R. funded debt, can the government indicate whether it intends to follow the precedents set prior to the passage of the legislation of 1952 in this field, in which a forum was provided through hearings to allow organizations and individuals to state their views about the capital reorganization of the C.N.R.?

2. If not, did the government take this under consideration?

Mr. Fleming (Eglinton):

1. The question of amendments to the Canadian National Railways Capital Revision Act is under consideration but no conclusions have yet been reached.

2. When decisions have been made and a bill is introduced consideration will be given to the appropriate legislative procedures.

*PUBLIC WORKS FEASIBILITY STUDY, BARRACHOIS COVE, N.S.

Question No. 136—**Mr. Robichaud:**

Has the government received a request from the town of New Waterford, Nova Scotia, for an immediate and complete survey of Barrachois cove to determine the feasibility of undertaking public works; and, if so, has any decision been reached?

Mr. Walker: Yes. Inasmuch as a survey was carried out in 1961, it has been decided not to investigate any further at this time the proposal for major new harbour works. The possibility of improving existing facilities is still being considered.

*CANADIAN EXPORTS TO COMMUNIST COUNTRIES

Question No. 137—**Mr. Matheson:**

What is the value of Canada's exports to (a) Cuba (b) other communist countries in each of the years 1956 to 1961?

Mr. Morris: Mr. Speaker, because of the complexity of the statistics required in this answer, may it now be published in *Hansard* without a verbal answer being given?

Mr. Speaker: What is the extent of the answer?

Mr. Morris: Seven lengthy statistical tables.

Mr. Speaker: Is it agreed that this answer be published without being read?

Some hon. Members: Agreed.

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

(a) Total exports of Canadian produce to Cuba during the years 1956 to 1960 and period January 1 to October 31, 1961 (latest statistics available) were as follows:

Year	
1956	$15,283,863
1957	16,845,727
1958	17,548,726
1959	15,222,179
1960	13,037,868
Jan. 1 to Oct. 31, 1961	24,750,137

(b) Total exports of Canadian produce to other communist countries during the years 1956 to 1960 and period January 1 to October 31, 1961 (latest statistics available) were as follows:

Questions

Country	1956	1957	1958	1959	1960	Jan. 1 to Oct. 31 1961
Albania	$	$ 209	$ 334	$ 82	$ 90	$ 3,906,131
Bulgaria	101,530	115,847	69,812	199,926	491,180	276,915
Czechoslovakia	24,540,245	1,401,394	1,342,358	4,936,802	6,766,857	19,591,172
Germany East	1,457,688	24,932	208	380	994,355	1,037,250
Hungary	1,907,024	288,903	383,553	1,115,031	931,363	536,729
Poland	17,903,235	16,631,934	559,790	15,631,414	16,664,909	22,225,447
Rumania	122,870	428,837	1,170,861	1,156,845	1,325,956	957,032
U.S.S.R.	24,527,659	10,645,687	18,862,594	12,637,556	8,233,319	22,804,969
Yugoslavia	205,887	188,859	197,640	2,577,072	3,249,369	1,821,018
China, Communist	2,426,620	1,398,613	7,808,965	1,720,033	8,737,363	114,916,725

*FEDERAL BUILDING, BEAUCEVILLE, QUE.

Question No. 138—**Mr. Racine:**

Have plans been made for the construction of a federal building at Beauceville and, if so, when will construction work begin?

Mr. Walker: Yes, early in the coming fiscal year.

*CROP INSURANCE—AGREEMENTS BY PROVINCES

Question No. 139—**Mr. Racine:**

Which provinces have agreed to the federal crop insurance scheme?

Mr. Charlton: The province of Manitoba entered into agreement with this government under the provisions of the Crop Insurance Act on May 24, 1961. Agreements are expected to be concluded with Saskatchewan and Prince Edward Island in the near future.

*UN RELIEF FOR ARAB REFUGEES

Question No. 145—**Mr. Cardin:**

1. What United Nations agency provides for the relief of Arab refugees?

2. What, if any, contribution does Canada make to this agency, and what has the amount of the contribution been for each year since 1957?

Mr. Green: Mr. Speaker, the answer to this question contains various figures. Perhaps it could be included in *Hansard.*

Mr. Speaker: Is it agreed that the answer to this question be printed without being read?

Some hon. Members: Agreed.

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

1. The United Nations relief and works agency for Palestine refugees in the Near East (UNRWA).

2. Canada normally contributes about $500,000 in cash to UNRWA. On occasion, however, in response to urgent United Nations appeals the Canadian government has augmented its regular cash contribution by making special donations of Canadian wheat flour to the agency. During the period 1957-61, Canada contributed $9,750,000 to UNRWA:

[Mr. Speaker.]

1957, $750,000 (in cash);

1958, $2,000,000 ($500,000 in cash and $1,500,000 in wheat flour);

1959, $2,000,000 ($500,000 in cash and $1,500,000 in wheat flour);

1960, $3,000,000 ($500,000 in cash, $1,500,000 in wheat flour and $1,000,000 in wheat flour as a special world refugee year (WRY) gift);

1961, $2,000,000 ($500,000 in cash and $1,500,000 in wheat flour).

Subject to parliamentary approval, the Canadian government will contribute $500,000 in cash and $500,000 worth of Canadian wheat flour to UNRWA in 1962.

*INDUSTRIAL FAIR, INDIA

Question No. 146—**Mr. Rouleau:**

Did Canada participate, in the industrial fair of India held in 1961, through a booth or pavilion, or in any other way, for the purpose of advertising Canada and its products; and, if not, was there any reason for such non-participation?

Mr. Morris: The answer is no. Non-participation was due to the fact that India's import restrictions prohibit the importation of manufactured goods except under special circumstances. Canada's exports to India are confined principally to shipments under the Colombo plan and some basic materials on a commercial basis.

*EXPORT CONTROL LIST

Question No. 148—**Mr. Hellyer:**

1. How many items are presently on the export control list?

2. Are any items on the export control list for the purpose of implementing an intergovernmental arrangement or commitment; and, if so, how many, and what are they?

3. Are any items on the export control list for the purpose of ensuring that arms, ammunition, implements or munitions of war, naval, army or air stores or any articles deemed capable of being converted thereinto or made useful in the production thereof or otherwise having a strategic nature or value, will not be made available to any destination wherein their use might be detrimental to the security of Canada; and, if so, how many, and what are they?

4. Are any items on the export control list for the purpose of ensuring that there is an adequate

supply and distribution of such articles in Canada for defence or other needs; and, if so, how many, and what are they?

Mr. Morris:

1. One hundred and seventy-two numbered items.

2. Yes, two numbered items. These are items 2-2, pork and pork products, and 9-1, goods originating outside Canada.

3. Yes, 166 numbered items. These are all the items in the export control list except those shown in part 2 and part 4.

4. Yes, 4. These are items 2-1, pancreas glands of cattle and calves; 3-1, logs of all species (of wood); 3-2, pulpwood of all species (of wood); and 6-9, scrap iron and steel, used rails and used railway axles.

*CUBA—EXPORT PERMITS FOR CONTROL LIST ITEMS

Question No. 149—**Mr. McIlraith:**

Have any export permits been issued since January 1, 1961, for the sale to Cuba of items which are on the export control list under authority given to the governor in council by paragraph (a), section 3, of the Export and Import Permits Act; and, if so, how many, for what value, and what items?

Mr. Morris: The answer is yes, 76, the dollar content being $3,269,708.36. The items are 4-77, 5-8, 6-4, 8-43.

*CUBA—EXPORT PERMITS FOR CONTROL LIST ITEMS

Question No. 150—**Mr. McIlraith:**

Have any export permits been issued since January 1, 1961, for the sale to Cuba of items which are on the export control list under authority given to the governor in council by paragraph (b), section 3, of the Export and Import Permits Act; and, if so, how many, for what value and what items?

Mr. Morris: The answer is yes, 100; $1,069,553.30; item 9-1.

*CUBA—EXPORT PERMITS FOR CONTROL LIST ITEMS

Question No. 151—**Mr. McIlraith:**

Have any export permits been issued since January 1, 1961, for the sale to Cuba of items which are on the export control list under authority given to the governor in council by paragraph (c), section 3, of the Export and Import Permits Act; and, if so, how many, for what value, and what items?

Mr. Morris: The answer is no.

QUESTIONS PASSED AS ORDERS FOR RETURNS

SERVICEMEN'S AND VETERANS' HOUSING PROJECTS

Question No. 127—**Mr. Broome:**

1. What are the names, locations, number of units, and dates of completion of each servicemen's and veterans' housing project presently administered by Central Mortgage and Housing Corporation?

2. How many houses in each project have been sold; how many are now rented, and are these rented units available for sale?

3. Is there a sales rebate policy; and, if so, give details as to how it is applied to all projects listed in (1) above, including those, if any, where the sales rebate policy has been discontinued?

DENTISTS IN GOVERNMENT SERVICE

Question No. 134—**Mr. Fisher:**

1. What government departments or agencies have dentists employed in a professional capacity?

2. On January 1, 1962, how many such dentists were on the establishment of each department or agency?

3. How many dentists have left the service of the federal government in each of the last three calendar years?

4. How many dentists joined the government service in each of the last three calendar years?

5. How many competitions have been held by the civil service commission for dentists in the last three calendar years; and what number of applicants (a) applied (b) qualified (c) entered the service through these competitions?

6. In general terms, does the civil service commission find it easy, difficult, or almost impossible to recruit dentists at the present time?

CHEQUE FORMS IN ENGLISH

Question No. 140—**Mr. Denis:**

1. How many cheque forms printed in English (a) are at present available to the treasury board (b) have been ordered but not yet delivered?

2. On what dates and at what prices have such undelivered cheque forms been ordered?

*EXPORTS AND IMPORTS, 1956-61

Question No. 141—**Mr. Matheson:**

What proportion of Canada's exports and imports for the years 1956 to 1961 was with (a) the United Kingdom (b) the United States (c) Japan (d) the European economic community countries (e) others?

Mr. Morris: Mr. Speaker, for the same reason I gave earlier may the answer to this question appear in *Hansard* without being read?

Mr. Speaker: I am concerned that *Hansard* may become too bulky. Would the hon. member indicate the extent of the answer?

Mr. Morris: Your Honour, I would defer. I would ask that it be made an order for return, tabled herewith.

Mr. Speaker: Order for return, tabled herewith.

*FEDERAL RECEIPTS AND DISBURSEMENTS, 1956-1961

Question No. 142—**Mr. Matheson:**

What were the government's receipts and disbursements for all purposes for the years 1956 to 1961?

Inquiries of the Ministry

UNITED NATIONS

DISARMAMENT—INVITATION TO ATTEND MEETING OF COMMISSION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether he has received an invitation from the head of the Soviet government to attend, as head of the Canadian government, the forthcoming meeting on March 14 I believe, of the United Nations disarmament commission and, if so, has he any observation to make on that invitation?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, if the house will permit me I will answer this question in some detail. I have received a message from Chairman Khrushchev which was handed me directly by the Soviet ambassador. As is now generally known, Mr. Khrushchev addressed a note to all members of the 18-nation disarmament committee proposing that the heads of government should be present when the disarmament conference begins its work in Geneva on March 14. This note was in the nature of a reply to the joint message of February 7 from Prime Minister Macmillan and President Kennedy respecting which I made a statement on Thursday last.

I am not yet in a position to indicate what the Canadian government's response will be to Mr. Khrushchev's counter proposal.

The letter was a lengthy one which will have to be studied as a whole so that the full implications of his specific proposal may be assessed. It will also be necessary to consult with other interested governments to determine what procedure will best contribute to progress on disarmament. The Canadian government has taken the stand that the forthcoming disarmament negotiations should be made the occasion of a maximum, all-out effort toward disarmament.

The hon. member for Kootenay West gave me notice of a similar question and in particular respecting the latter part of the question asked by the Leader of the Opposition. If that purpose, namely the attainment of an all-out effort toward disarmament, would be served by meetings at the heads of government level, I am sure the house would expect me to be prepared to attend.

PUBLIC SERVICE

AGRICULTURE—REPORTED ATTITUDE OF INFORMATION OFFICIALS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I wish to direct a question to the Prime Minister apropos of the one I asked on Friday concerning the report on information in the Department of Agriculture prepared by Mr. Harry M. Halliwell wherein it was stated that the department was reticent to give information to the public unless it were cleared from above and under direction from above, and also apropos of the Prime Minister's reply. Is the Prime Minister aware that this report was submitted on July 31, 1961, and published by the Queen's printer?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I shall look into that question. I did not have an opportunity to do so since the hon. member asked me on Friday.

(Translation):

Mr. Chevrier: Mr. Speaker, in regard to this same matter, I should like to ask the Secretary of State if the report I have just mentioned, that of Mr. Halliwell to the Department of Agriculture, has come to his attention, particularly the references, found at pages 21 and 43, to the fact that certain documents of great importance, such as speeches and reports on federal-provincial conferences, are never supplied in French to the province of Quebec.

The Minister of Agriculture being absent due to ill health, could the Secretary of State take the necessary steps to remedy this situation?

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I shall take this question as notice; I shall look into the matter and report to the hon. member as soon as possible.

(Text):

EXTERNAL AFFAIRS

CYPRUS—APPOINTMENT OF CANADIAN AS PRESIDENT OF HIGH COURT

On the orders of the day:

Mrs. Jean Casselman (Grenville-Dundas): May I direct a question to the Secretary of State for External Affairs. Has the minister any comment to make on press reports to the effect that a Canadian judge has been appointed president of the high court in Cyprus?

Hon. Howard C. Green (Secretary of State for External Affairs): Yes, Mr. Speaker.

Mr. Speaker: May I say the question goes beyond the orders of the day, but if the minister wishes to comment on it I do not see any reason why he should not.

Mr. Green: Some months ago the government of Cyprus requested Canadian co-operation in filling this important judicial post. The high court of Cyprus is the highest appellate

court of the republic. It is composed of two Greek judges, one Turkish judge and a president with two votes. The Cypriot constitution specifies that the court cannot function without a president and that the presiding judge cannot be a subject or a citizen of the republic of Cyprus, the kingdom of Greece, the republic of Turkey, or of Britain or its colonies. The first president of the high court was His Honour Judge Barra O'Briain of Ireland, whose term was for a one year period only.

Before Judge O'Briain ended his term, the government of Cyprus asked the Canadian government for assistance in selecting a Canadian jurist, and negotiations concerning this post have been proceeding for some months both in Canada and through our mission to Cyprus. The Cypriot authorities have now appointed a distinguished Canadian jurist, Mr. Justice J. L. Wilson of the Ontario supreme court.

I think hon. members will agree that the appointment of Mr. Justice Wilson reflects great credit on Canada and indicates the degree of respect which Canadian justice and Canadian jurists enjoy overseas.

Finally, Mr. Speaker, the government is glad that this new member of the commonwealth requested assistance from us as an older member of the commonwealth. We think the selection by the Cypriot government of a Canadian judge for this position provides another close link in the friendly relationship which exists between our two commonwealth countries.

NATO—VISIT TO WASHINGTON BY SECRETARY GENERAL

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Secretary of State for External Affairs a question. Can the minister explain why, in view of the reported character of his meeting in Washington, the secretary general of the North Atlantic Treaty Organization did not come to Ottawa, either on his own or at the request of the government of Canada?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, the secretary general of NATO was in Washington for a special conference. There was no reason whatever why he should have come to Ottawa at this particular time. He was in Ottawa, I think, just a few months ago.

NUCLEAR ENERGY

REQUEST FOR STATEMENT OF POLICY REGARDING TESTS

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask a question of the Secretary of State for External Affairs, who I believe was unavoidably absent on Thursday when the Prime Minister commented on the announcement of the decision by the United States to resume nuclear testing under certain circumstances, if the statement of the Prime Minister means or if policy of the government of Canada continues to be that the government is opposed to nuclear testing, with or without controls, as stated by the minister some time ago, during the last session of parliament?

Hon. Howard C. Green (Secretary of State for External Affairs): I think the Prime Minister dealt with that question last week, and there has been no change in government policy.

INVESTIGATION INTO EFFECTS OF FALL-OUT

On the orders of the day:

Hon. Paul Hellyer (Trinity): Mr. Speaker, I should like to direct a question to the Associate Minister of National Defence based on his remarks in Montreal last week to the effect that the government is investigating the possible effects to Canadians of nuclear fall-out, and that the cabinet would make no decision until all the questions could be answered satisfactorily. Could the minister advise the house whether this investigation has just commenced, and when he thinks the investigation will be completed and the cabinet will be able to make a decision?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, this is another of those futile questions which have become a specialty of the hon. member for Trinity. This question was discussed during the study of the estimates at the end of the last session, and all questions on this matter were answered by the Minister of National Defence on previous occasions.

Mr. Hellyer: A supplementary question, Mr. Speaker. Could the minister say when we will stop getting futile answers?

Mr. Sevigny: When we stop getting futile questions.

INDIAN AFFAIRS

SIX NATIONS—COMPLAINTS RESPECTING HOSPITAL SERVICE

On the orders of the day:

Mr. Jack Watten (Brantford): In the absence of the Minister of National Health and Welfare I should like to direct a question to his parliamentary secretary. Has the department received any complaints from Indians of the Six Nations reserve concerning the quality of medical services provided at the Lady

Willingdon hospital, and if so is the minister prepared to investigate the situation?

Mr. L. E. Cardiff (Parliamentary Secretary to the Minister of National Health and Welfare): In the absence of the Minister of National Health and Welfare I would state that the Ontario parliamentary secretary to the minister of agriculture was in my minister's office this morning with information he received from the Six Nations council on this subject. I would like to inform the hon. member that I shall bring the matter to the minister's attention tomorrow, and I am sure he will make appropriate inquiries.

POST OFFICE DEPARTMENT

COMPLAINT RESPECTING DESIGN OF NEW ISSUE

On the orders of the day:

Mr. Azellus Denis (St. Denis): I should like to direct a question to the Postmaster General. I have received a reproduction of the postage stamp which will be issued on February 28 next. It is so filled up with designs that it looks to me like a Chinese puzzle or a pawnshop, behind which the price is almost completely hidden. In view of that fact will the Postmaster General take steps with regard to future issues—if he is still in office—to see that the most important part of the stamp, the price, is clearly shown?

Hon. W. M. Hamilton (Postmaster General): The hon. member refers to the stamp being filled up. Of course it is not merely the stamp which is filled up in this instance. I am inclined to agree with the hon. member on the basis of the information and reproduction which he has seen, which is only in black and white, but I can assure him that when the stamp comes forth in its full two colours he will find it is another very attractive stamp.

Mr. Denis: As a supplementary question, will the minister admit that the price, 5 cents, does not appear very clearly beside a pair of pliers, a violin and so forth? He will notice that the price does not show clearly.

Mr. Hamilton (Notre Dame de Grace): Mr. Speaker, there are none so blind as those who will not see. All the rest of Canada will be able to decipher the figure on the stamp without any difficulty at all.

Mr. Denis: Will the minister issue a stamp—

Mr. Speaker: Order. Would the hon. member resume his seat before I stamp on him.

FINANCE

INTERNATIONAL MONETARY FUND—ATTENDANCE AT WASHINGTON MEETING

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): I should like to direct a question to the Minister of Finance. Could he inform the house whether the governor of the Bank of Canada or his representative will be attending a meeting of the governing body of the international monetary fund this Friday, as reported by the Canadian Press representative in Washington, for the purpose of answering a "call on the carpet" to explain juggling of the dollar rate by Canada in connection with its international obligations?

Hon. Donald M. Fleming (Minister of Finance): There is no question of hauling anybody on the carpet, and there is no question about juggling rates. That kind of talk just does violence to the facts.

Mr. Benidickson: That is what the reporter called it.

Mr. Fleming (Eglinton): There will be a regular meeting of the executive board of the international monetary fund in Washington on Friday, and Canada will be represented at it by the distinguished governor of the Bank of Canada.

INCLUSION IN ESTIMATES OF SUPERANNUATION FUND LIABILITIES

On the orders of the day:

Mr. W. H. McMillan (Welland): I wish to direct a question to the Minister of Finance. Do the estimates tabled today, and those of the current year, include the liabilities past due last March of $161.4 million to the public service, Canadian forces and R.C.M.P. superannuation accounts?

Some hon. Members: Order.

Mr. McMillan: Also do they include the full estimated amount due these and other accounts up to the end of the next fiscal year?

Mr. Speaker: As there are two questions which seem to be of a statistical nature, would the hon. member object to putting them on the order paper?

Mr. McMillan: On a point of order, Mr. Speaker, they can just be answered yes or no. We have no other way of actually finding in the estimates for this year changes in the payroll and the numbers of people hired. In the year 1960-61 they were out by $161 million and I think hon. members of the house should be notified of these matters.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, it is the sheerest nonsense to talk about last year's estimates being out by $161 million in regard to this item. The hon. member by this time should know better than to make such statements. So far as the present estimates are concerned, the hon. member has a copy available to him from the distribution office this afternoon, and I am sure perusal of those estimates will repay the time that he spends on them.

LABOUR CONDITIONS

KENT, N.B.—REQUEST FOR DESIGNATION AS SURPLUS LABOUR AREA

On the orders of the day:

Mr. H. J. Michaud (Kent, N.B.): I should like to ask a question of the Minister of Finance. I put a similar question to the Minister of Labour the other day but he had no information on it. Has the Minister of Finance received a resolution from the municipal council of Kent county in New Brunswick, asking that this county be declared a labour surplus area or a depressed area and, if so, what action is being taken on this resolution?

Hon. Donald M. Fleming (Minister of Finance): None that I am aware of.

(Translation):

INQUIRIES FOR RETURNS

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I should like to direct a question to the Secretary of State.

On September 13, 1961, no less than five months ago, the house adopted Motion No. 159, introduced by myself, for the tabling of certain documents and correspondence concerning the television service for Madawaska and Victoria counties in New Brunswick. Is the minister in a position to tell the house when those documents will be tabled?

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I shall make a note of the hon member's question and try to give him an answer no later than tomorrow.

(Text):

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I wonder whether I could put a supplementary question to the Secretary of State, and ask him if he would mind checking up at the same time on all the other outstanding returns from the previous session, and in particular the one which was passed on November 30, 1960 asking for the travel expenses of ministers.

Mr. Howard: That is a secret.

(Translation):

Mr. Dorion: Mr. Speaker, I will do the same concerning the hon. member's question.

(Text):

ADMINISTRATION OF JUSTICE

TORONTO—REPORTED MISTREATMENT OF RABBI BY POLICE

On the orders of the day:

Mr. Hubert Badanai (Fort William): Mr. Speaker, I wish to direct a question to the Minister of Justice. Can the minister say whether or not the Toronto police have violated the bill of rights by their shocking treatment of Rabbi Norbert Leiner—

Mr. Speaker: Order. The extent of the jurisdiction of the Minister of Justice may be considerable, but I believe it does not extend to the Toronto police. I think the hon. member should seek an answer to his question in a different forum.

Mr. Badanai: On the point of order, Mr. Speaker—

Some hon. Members: Oh, sit down.

Mr. Badanai: On the point of order, Mr. Speaker, I merely ask the minister whether in his opinion there has been a violation of the bill of rights.

Mr. Speaker: Order. I think the hon. member will recall that requests for opinions of that kind—

An hon. Member: Go out and hire a lawyer.

Mr. Speaker: —whether on the interpretation of law or the action of some body for which the minister has no responsibility, would be out of order.

SONS OF FREEDOM—INQUIRY AS TO REQUEST FOR ASSISTANCE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Justice. Has the minister received from the attorney general of British Columbia any request for co-operation or assistance with respect to the Sons of Freedom problem?

Hon. E. D. Fulton (Minister of Justice): Not that I am aware of, Mr. Speaker.

(Translation):

PUBLIC WORKS

FARNHAM, QUE.—RECONSTRUCTION OF MILITARY HEADQUARTERS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, I should like to direct a question to the Associate Minister of National Defence. Is it true that the contract for engineering tasks related to the reconstruction of armouries in Farnham, Quebec, has been awarded to consulting engineers from outside Quebec? If so, could the minister tell us why that has been done?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, I am investigating this matter and I will be pleased to give an answer to the hon. member.

Inquiries of the Ministry

(Text):

RAILWAY ACT

COMPENSATION TO EMPLOYEES AFFECTED BY BRANCH LINE CHANGES

On the orders of the day:

Mr. John R. Matheson (Leeds): Mr. Speaker, may I direct a question to the Minister of Transport. Does the minister contemplate introducing amending legislation to section 182 of the Railway Act to provide in unmistakable language for compensation for financial loss caused to employees by any change made upon existing lines of railway?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, if any legislation is to be brought before the house it will be introduced in due course after consideration and after a decision by the cabinet.

PUBLIC BUILDINGS

LACK OF POST OFFICE CONSTRUCTION IN NEWFOUNDLAND AND PRINCE EDWARD ISLAND

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Minister of Public Works whether the absence from the list which he tabled with his statement on Friday of any post office in the provinces of Prince Edward Island and Newfoundland means that none of these winter works structures is being built in either of these provinces?

Hon. D. J. Walker (Minister of Public Works): Mr. Speaker, the list speaks for itself. There are other ways of having post offices built in different provinces. This list is the winter works program.

Mr. Pickersgill: Not in two provinces.

NATIONAL DEFENCE

KILLALA LAKE, ONT.—RADAR INSTALLATION

On the orders of the day:

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, on Friday last the hon. member for Fort William asked whether a radar installation was being constructed at Killala lake in northwestern Ontario. The answer is that a small gap filler radar will be installed in the Killala lake area this year. This is one of a number of gap filler radars required to strengthen the capability of the Pine Tree system.

[Mr. Sevigny.]

DISABLED PERSONS ACT

AMENDMENTS TO INCREASE PAYMENTS AND ALLOWABLE INCOME

Hon. Gordon Churchill (for the Minister of National Health and Welfare) moved the third reading of Bill No. C-62, to amend the Disabled Persons Act.

Motion agreed to and bill read the third time and passed.

CANADIAN NATIONAL RAILWAYS

AUTHORIZATION FOR CONSTRUCTION OF LINE FROM WHITECOURT, ALBERTA

Hon. Leon Balcer (Minister of Transport) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to authorize and to provide for the construction of a line of railway in the province of Alberta by Canadian National Railway Company from Whitecourt for a distance of approximately 23.2 miles to the property of Pan American Petroleum Corporation, at a total estimated expenditure of $2,300,000, not to be exceeded by more than fifteen per cent; to authorize the issue by the said railway company of securities that may be guaranteed by Her Majesty in right of Canada to finance the construction of the said line; and in order that the said railway company may forthwith proceed with the construction of the said line of railway, to authorize temporary loans to the said railway company out of the consolidated revenue fund upon terms and conditions prescribed by the governor in council and secured by securities of the said railway company.

Motion agreed to and the house went into committee, Mr. Martineau in the chair.

Mr. Balcer: The proposed legislation would authorize the Canadian National Railway Company to construct a railway line in the province of Alberta as an extension of its Sangudo subdivision, from Whitecourt, Alberta, in a westerly direction to the property of Pan American Petroleum Corporation in the Windfall gas field area, a distance of about 23 miles.

The main function of this line would be the transportation of sulphur which will be produced from natural gas on the property of Pan American Petroleum Corporation in the Windfall area.

The cost of construction of the line is estimated at a total of $2,300,000 or an average of $99,138 per mile, including the cost of a steel bridge about 650 feet long across the McLeod river at the eastern end of the line.

A sulphur recovery plant is now under construction in the Windfall area. Plans call for initial shipments of sulphur to be made from the plant by March 1, 1963. Texas Gulf

Sulphur, the operator of the plant, has notified the railway that direct rail service will be needed by that date.

The construction of this line will take about one year, and in order that the railway may complete the line by March 1, 1963, it is essential that some of the work on the piers and abutments of the bridge over the McLeod river near Whitecourt be done during the period of low water in the present winter season. This means that a start must be made on this work immediately. The committee will therefore, I am sure, appreciate the importance of giving consideration to this legislation will contain financial provisions measure can be adopted by an early date, work will thereby be provided this winter for a substantial number of men, thus contributing in a not insignificant way to the provision of employment in this locality.

The legislation would empower the spending of a sum not exceeding $2,645,000, representing the total estimated cost of construction of $2,300,000 plus 15 per cent for contingencies, to build this rail line. The legislation will contain financial provisions similar to those adopted in the past for other railway branch lines.

Canadian National has informed the government that an agreement has been signed with Texas Gulf Sulphur Company wherein a guarantee is given that they will ship a minimum volume of traffic over the line for 25 years, and that appropriate penalties will be paid by them to the railway if at any period during that term the guaranteed shipments fall below the minimum volume agreed to. In addition they have agreed to make a substantial cash contribution toward the cost of construction of the line.

As members are aware, the government views with favour and is desirous of giving continued encouragement to capital projects submitted by the railway management which can be recognized as self-liquidating. The present project is in that category. Railway revenues which will be received from traffic generated by the line after meeting all expense of operation and maintenance of the branch line, including the cost of handling this traffic on the remainder of the system, interest on and amortization of the cost to the railway of building the new line, will yield a reasonable surplus.

Mr. Chevrier: I have listened with interest to the remarks made by the minister in connection with this resolution which seeks, on behalf of the C.N.R., authority to build a line from Whitecourt in the province of Alberta to the property of the Pan American Petroleum Corporation, a distance of 23.2 miles.

The minister has told the committee something about the economics of the line. At first blush, without knowing all the details concerning the operation, it would seem to us on this side that the project is a meritorious one which will receive our approval. If I understand the matter correctly, the resolution will authorize the Canadian National Railway Company to build a line in a westerly direction to a sour gas well on the property of the Pan American Petroleum Corporation, and it is the intention of the petroleum corporation to convert this sour gas to sulphur, an operation which would mean the exportation of that commodity over the C.N.R. system not only to the United States but to parts of Canada.

The cost, the minister has said, will be $2,300,000 or an average of $99,138 per mile including the cost of building a steel bridge. The minister did say in the course of his remarks that a substantial contribution toward the construction of this line would be made by, I take it, the Pan American Petroleum Corporation. The minister did not say what the amount of that contribution would be, but I take it the amount whatever it is, will reduce the expenditure of $2,300,000 accordingly. So if a contribution of, say $1,800,000 were made by the petroleum corporation, then the C.N.R. would be asked to disburse toward the construction of this line the difference between the two sums, namely $500,000. I trust that when the minister replies he will be in a position to confirm or contradict the information I have placed on record in this respect.

The minister also stated that a sulphur recovery plant is now under construction and will be completed, according to expectations, by March 1, 1963. That is why, he said, it is important that the bridge over the McLeod river, a bridge which will be some 600 to 650 feet in length, be constructed without delay. I am informed that the bridge which is near, if not very close, to the beginning of the line will require four spans with three centre piers in the river, and that these piers must be put down in the winter time. I am also informed that the construction of these piers is a simple matter when ice conditions exist, but that the moment the thaw begins this would be a complicated matter from a construction standpoint.

I wish the minister would clarify the statement he has made in this respect because if this is so, if there is likely to be a delay of 12 months should the piers not be put down under winter conditions, then I am sure these circumstances would have a bearing on the attitude which those of us on this side of the chamber would wish to take toward the government's proposal. In

other words, I am sure none of us would wish to delay what appears to be a very profitable enterprise on the part of the Canadian National Railways if it is necessary that these piers must be put down under winter conditions.

It was also stated by the minister that it would take one year to build this line. When the minister replies will he indicate why it will take a year, in view of the fact that we are asked to give immediate approval to this legislation. I wish the minister would also tell us how the cost per mile compares with that of other lines in the area. When I say "in the area" I do not necessarily mean in the province of Alberta, because I do not recollect that other lines have been built there recently, but certainly other lines have been built in adjoining provinces. Perhaps the minister could give some indication of how the cost of this line compares with that of others.

I feel the minister should give the committee some further details concerning the agreement which has been made between the Canadian National Railways and, I presume, the Pan American Petroleum Corporation in so far as traffic is concerned. It has been the practice of the minister, more particularly in relation to the railway to Great Slave lake which was discussed during the last session of parliament, to table the agreement so the committee could have before it for consideration and study all the details of the financial arrangements. We are interested in examining the profitable aspect of this line which will improve the position of the Canadian National Railways.

The minister also gave us a general idea of the revenues which it will yield to the railway over a period of time. I understand the agreement is for a period of 25 years, and I am sure like most comparable agreements it is lengthy and complicated. Perhaps the minister or his officers would assist the committee by summarizing the main points of the agreement. After all, there is never any difficulty about obtaining approval for the construction of lines like this, particularly when the financial conditions are similar to those the minister indicated earlier. It has not been my experience that parliament withholds its approval in these circumstances. If the minister would be good enough to summarize for us or, in the alternative, table the agreement, I feel it would be helpful and would assist those on this side of the house who would like to give it further consideration.

I take it, too, that when the appropriate time arrives the minister will wish to move that this legislation be referred for consideration to the committee on railways, canals and telegraph lines. I hope the minister will find it possible to follow that course later this day.

Having regard to what I have said and in the light of the questions I have asked, there will be from this side of the house no objection to the construction of this project which on the face of it appears to be a profitable enterprise for the Canadian National Railways.

Mr. Horner (Jasper-Edson): Mr. Chairman, I am pleased that this legislation has come before the house so early in the session. As the minister has said, it is a matter of immediate urgency to provide for the construction of the bridge across the McLeod river on the outskirts of the town of Whitecourt in the northwestern portion of my constituency. This project is one of the major developmental projects which fits into a vast complex of development which is taking place in northwestern Alberta.

I wish to tell hon. members of the committee something of the Windfall field and something of the potential of the Whitecourt area, and to make the prediction that the next city in Alberta will be called Whitecourt. For the information of the hon. member for Laurier I will say the plant is practically ready to go into production. A substantial acreage has been cleared for the purposes of storing sulphur until such time as the railway line is built, and it is most important that the line be constructed as soon as possible.

The Windfall field is a sour gas field located 23 miles west of Whitecourt. The extraction plant at Windfall serves a combination of three fields through a very intricate and complicated system of pipe lines. The gas has a high sulphur content. The high pressure gas from the Pine Creek and Beaver Creek fields north of Edson passes into the Windfall field. The Windfall gas field is a wet gas area. The two high pressure gas fields are being used to supply the pressure and the Windfall field is supplying the reservoir.

The plant when completed will be producing approximately 650 tons of sulphur a day, a fair quantity. This will mean an annual output of approximately 237,000 long tons of sulphur. It is expected that within five years the plant will triple its output and will produce in the neighbourhood of 614,000 long tons of sulphur per year.

I am sure the committee will be interested if I take a moment to discuss the sulphur situation in Canada. Up until 1952 all elemental sulphur was imported, mostly from the United States and Mexico, but in the last few years Canada has become an important sulphur producing nation. Approximately 30 per cent of Canadian produced sulphur is

being produced from natural gas, and this will rise to approximately 75 per cent. Approximately 75 per cent of the sulphur produced in Canada will come from the gas fields of Alberta, Saskatchewan and British Columbia. The total annual capacity of elemental sulphur will reach approximately 1,500,000 tons annually from these western gas fields.

During 1960 the total amount of sulphur used in Canada was 600,000 tons. As hon. members will see, this one plant in the Windfall area will, within the next two or three years, be producing sufficient sulphur to meet Canada's present needs. Sulphur being one of the basic minerals used in industry, we expect the demand for it will increase.

The Windfall plant is only one of approximately 14 plants in Alberta that are extracting sulphur from natural gas. This is fundamentally a by-product operation through which wet and sour natural gas is made available for export in a dry and clean form. The gas from the Windfall field, after it is treated and the sulphur and the other wet hydrocarbons are extracted from it, is going directly into the Alberta Southern pipe line and will eventually end up in California. It is in this immediate area that we had that tragic accident about a month ago when a section of pipe line blew up. I am sure this accident illustrates the dangers that still remain and the hardships which are ahead of those who are now pioneering in an unsurveyed part of Canada.

As I have already said, we are pleased that the government has brought this legislation forward quickly so that we can go ahead with the construction of this railway. I should like to say that we feel that railway will be the first 23 miles in a western Alberta net of railways which will be constructed in the next five years and which will consist of some 150 miles of railway through new country of which, so far as its potential is concerned, the surface has only been scratched. I suggest to the committee that we shall here in the area adjacent to Whitecourt set the stage for a sulphur production plant and for other mineral developments which will necessitate much more railway building. We hope that eventually we shall have a smelter in the immediate area.

As I have said, this railway extends from the town of Whitecourt, which at the moment is at the stage of bustling and booming because of the extraction plant, the coming of the railway and our hope that a new newsprint plant will be built next spring. I am confident that this railway will haul not only sulphur but pulpwood as well, will open up new areas for logging, will be an asset to the Canadian National Railways and will at all times provide an appropriate return. I am convinced that the necessary tonnage is available in order to satisfy the guarantee. I am convinced that at no time will the taxpayers be called upon to subsidize this railway line or to support it in any other manner. This is a project which fits in now with our government's development policy, and in the future will fit in with other railway construction in Canada. I am pleased that the official opposition are not going to do to this railway what they did to the Great Slave lake railway we are going to build in Alberta, namely vote against it.

The Chairman: Shall the resolution carry?

Some hon. Members: Carried.

The Chairman: Shall I report the resolution?

Mr. Chevrier: Before you do so may I say this. A number of questions were put to the minister. In fairness to the committee I think we should get replies to them.

Mr. Balcer: I was just waiting for the cordial invitation, Mr. Chairman. First of all may I say that I am pleased to hear from the hon. member for Laurier that the opposition does not intend to delay the proceedings but will support this resolution so that we can go ahead with the building of this line as soon as possible. I also wish to commend my friend the hon. member for Jasper-Edson for his comprehensive survey of the sulphur situation in Canada and in general for his description of the various natural resources which are so abundant in that great riding of his.

It is true that this branch line project is another example of the tremendous wealth of natural resources we find in this great province of Alberta. When we think of the relatively recent discoveries that have been made in that province we are indeed fascinated to contemplate the great future that lies ahead for Alberta. I am sure that as Canadians all members of the committee will rejoice in seeing these great developments.

To come back to the hon. member for Laurier, may I say this. Again he indicates that he would like the minister to table the agreement between the railway company and the private company. I would just refer him back to our discussion of last year and the discussions that took place under former ministers of transport on previous branch line bills. I should also refer him to his own statements before the standing committee on railways, canals and telegraph lines. I do so in order that he will understand why I am not in a position at the present time to disclose the various aspects of the agreement. I wish to repeat what I said earlier, namely that this

is a branch line that represents a very great deal for the Canadian National Railways. A private company has agreed to contribute substantially to the construction of the branch line. It has also agreed—and I think this is a most important factor—to give an undertaking or a guarantee of a minimum tonnage of sulphur and other goods to be transported on the branch line. It has also agreed to pay a penalty for any amount of tonnage below that set level.

I know it would be much more interesting to the hon. member for Laurier if I could simply give all the details of the agreement. However, I think the request of the railway should be complied with. We must not forget that the Canadian National Railway is obliged to compete with other railways in Canada. As it is a government owned railway, if we disclose here in the House of Commons all the private agreements the railway signs in a business way with private industries, I think we shall simply be putting our national railway in an unfair position compared with its main competitor, the Canadian Pacific Railway. I therefore ask the indulgence of the committee in this matter.

Mr. Chevrier: May I ask the minister a question there?

Mr. Balcer: Yes.

Mr. Chevrier: In view of the fact that during the last session the minister tabled the agreement with respect to the Pine Point railway, may I ask these questions. Why is there objection now to tabling the agreement, after creating a precedent last session? The next question is this. If the minister still insists that he cannot table the agreement, why can he not give a summary of the main features, or one which would be more satisfactory than that which he has given? I should also like to know the amount of the substantial payment the petroleum company is going to pay the C.N.R.

Mr. Balcer: As far as the last two questions are concerned, may I say this. The information requested is precisely that which would jeopardize the position of the Canadian National Railways as a competitor with other railways in Canada. That is what would happen if we give the amount which the private company has agreed to pay for the construction of the branch line. This is the crux of the problem. This is the main point of this agreement.

Mr. Chevrier: Where is the competition? This line is being constructed from a Canadian National Railways line so where is the competition with any other line?

[Mr. Balcer.]

Mr. Balcer: In this precise case, of course, this line is to be built by Canadian National Railways, but on the other hand I think that the business world and private companies of this type like to keep their own financial agreements with respect to transportation costs and other costs to themselves. They do not like to have to divulge that information to their competitors. I am speaking now of private companies like the sulphur company. They are not interested in giving all these figures to their competitors with whom they have to fight for business. I am sure the hon. member for Laurier understands this.

Of course, as far as the government is concerned, we would be quite willing to do that if it would not jeopardize the position of Canadian National Railways, and that is why we agreed to do it last year when the Pine Point railway measure was before the house. As you know, Mr. Chairman, that was a development project in which the government was subsidizing the construction of the railway and it also involved an agreement between the Consolidated Mining and Smelting Company, which is a subsidiary of the Canadian Pacific Railway, and the government, and Canadian National Railways. The fact that the mine was a subsidiary of the main competitor of Canadian National Railways more or less removed the difficulty. In this case the project is one that will pay for itself and will result in a surplus to Canadian National Railways. It is a good business deal for the railway, and I think it would be very unfortunate if we were to do anything to spoil this splendid project. The private sulphur company is satisfied to pay the price it is going to pay and the management of Canadian National Railways have assured the government that with this agreement they will be in a very good position to build this branch line and operate it without it costing Canadian taxpayers a cent.

The hon. member for Laurier asked why the piers have to be built at this precise time and why there should be as much diligence as possible in having the legislation passed by parliament. I am informed by the engineers of Canadian National Railways that quite a large bridge has to be built over the McLeod river. As hon. members know, with a river of this type there is a tremendous difference in the depth of the water in the spring and summer compared with the middle of winter. Right at this precise time the water level is perfect for the building of this type of bridge because the water is very low during this coldest

time of the year and the construction people will practically be in a position to build these two piers on dry land.

Mr. Chevrier: Are there two or three?

Mr. Balcer: Either two or three. I have not studied the exact engineering of this particular bridge. I am assured by the engineers that the period of maximum use as far as soil is concerned with respect to the building of these piers is right now, and that period will not last very long. They have impressed upon me the urgency of going ahead with this project as soon as possible.

The sulphur company has already started to build its plant at the future terminal of the railway and it has requested the C.N.R. to complete the railway by next March. The engineers of the railway assure me that if the bridge can be started within a very few days they will be in a very good position to meet this deadline. This is extremely important because, as I said earlier, this is an excellent deal for the government owned railway, and it would be most unfortunate indeed if we were to delay the actual starting of construction of the bridge and in this way spoil the whole agreement. I think I have covered the points raised by the hon. member for Laurier and again I want to congratulate the hon. member for Jasper-Edson for his very fine contribution to this debate.

Resolution reported and concurred in.

Mr. Balcer thereupon moved for leave to introduce Bill No. C-63, respecting the construction of a line of railway in the province of Alberta by Canadian National Railway Company from Whitecourt, Alberta, in a westerly direction for a distance of approximately 23.2 miles to the property of Pan American Petroleum Corporation.

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: When shall the said bill be read the second time?

Mr. Chevrier: Next sitting of the house.

CANADIAN NATIONAL RAILWAYS

MANITOBA—PROVISION FOR CONSTRUCTION AND PURCHASE OF BRANCH LINES

Hon. Leon Balcer (Minister of Transport) moved the second reading of Bill No. C-48, to amend an act respecting the construction of a line of railway by Canadian National Railway Company from Optic lake to Chisel lake, and the purchase by Canadian National Railway Company from the International Nickel Company of Canada, Limited, of a line of railway from Sipiwesk to a point on Burntwood river near Mystery lake, all in the province of Manitoba.

Mr. Chevrier: I take it that the minister will make a statement in connection with this matter.

Mr. Balcer: Mr. Speaker, this bill is to authorize Canadian National Railway Company to construct an eight mile extension to its recently completed railway line between Optic lake and Chisel lake in the province of Manitoba, at a cost estimated at $1,090,000. The extension would run from Chisel lake to Stall lake.

Hudson Bay Mining and Smelting Company Limited is presently mining zinc and copper in the Chisel lake area and shipping the ore to their metallurgical plant at Flin Flon, Manitoba. This company is now developing its properties in the area of Stall lake and at Osborne lake and has requested rail service to Stall lake to serve those new ore bodies by May 1, 1963. The ore from this new development will also be shipped to the company's plant at Flin Flon.

As in the case of the construction of the original branch line from Optic lake to Chisel lake, Canadian National has secured a guarantee that the mining company will ship a minimum volume of traffic over the line for a period of at least ten years and that appropriate penalties will be paid if during any year of the term the shipments fall below the minimum agreed to.

If this measure can be adopted by an early date work will be provided in the area during the present winter for a considerable number of people, thus contributing to the provision of employment in this locality. In addition to providing service for the new mines opening up in the area this extension will also aid in the further general development of this area of Manitoba.

Hon. members will note that the bill will amend chapter 13 of the Statutes of Canada, 1957-58, under which the original 52 mile line from Optic lake to Chisel lake was constructed. While that act estimated the expenditure for the 52 miles of construction at $8,840,000 the actual total cost of construction of the line, which is now in operation, has amounted to approximately $6.4 million. Since the cost of the existing branch line, plus the estimated cost of the proposed extension of eight miles only totals $7,490,000, there is no need for approval of any additional expenditure, as it is obvious that the extension can be constructed well within the amount authorized by the enabling legislation. This bill, therefore, will simply amend the schedule to the original act to show the length of the branch

line as 60 miles instead of 52 miles, leaving the estimated cost of construction unchanged at $8,840,000.

This being a capital project submitted by the railway management, which is clearly self-liquidating, the government is pleased to give its support to the measure.

Railway revenues which will be received from traffic generated by the new mines, after meeting all expenses of operation and maintenance of the extension, the cost of handling this traffic on the remainder of the system, interest on the cost of building the new line and interest and depreciation on the necessary equipment, will yield a reasonable surplus.

Hudson Bay Mining and Smelting Company Limited has established significant reserves of copper ore at Stall lake and also on its property at Osborne lake, some 11 miles to the northeast of Stall lake.

Capital expenditures made by the company to the end of 1961 on these properties have been substantial and it is planned to bring the Stall lake mine into production by May 1, 1963. The mining company has therefore requested that Canadian National complete the construction of a branch line extension to its Stall lake mine as soon as possible but not later than May 1, 1963. Under a normal schedule of construction the extension would take about one year to build and the average number of men employed would be about 75.

As the Osborne lake property is developed the ore will be trucked from that mine to Stall lake and thence, together with the Stall lake ore, shipped by rail a distance of 107 miles to the company's metallurgical plant at Flin Flon. The company estimates that 100 men will be employed at Stall lake and about 85 men at Osborne lake when these mines are in production.

The prospective traffic on the proposed branch line extension will be in addition to that now being produced at the company's Chisel lake property, and will consist of copper-zinc crude ore amounting to about 182,000 tons per year.

The mining company and the railway have reached agreement on the arrangements for handling this traffic, under which the mining company has given a guarantee that it will ship a minimum volume of traffic over the line for at least 10 years and that appropriate penalties will be paid if, in any year during the term, shipments should fall below the minimum volume agreed to.

The government is convinced that this project merits the approval of the house as it is one which should improve the net position of Canadian National as well as contribute to the further development of the area concerned. The railway has given assurance that the estimated results of operation make the proposal an attractive and economic one.

The bill will amend chapter 13 of the Statutes of Canada, 1957-58, under which the 52 mile Optic lake-Chisel lake line was built, by the substitution of a new schedule to that act calling for 60 miles of construction in place of the 52 shown.

As I said earlier, the railway's experience in constructing the 52 miles provided for in this legislation indicates that the final cost of construction of the whole 60 miles will not exceed the amount approved in the original schedule of $8,840,000, because the final cost of construction of the 52 mile line to Chisel lake has only amounted to $6,400,000, which when taken with the estimated cost of the eight mile extension of $1,090,000, gives a total for the whole 60 miles still substantially less than the amount originally approved.

On second reading being given, I intend to move that the bill be referred to the committee on railways, canals and telegraph lines, where officers of the Canadian National will be present to give any further explanations.

I believe the house will agree that the project commends itself as one which will assist in the further development of this mining area, and that it is a sound one from an economic standpoint.

Hon. Lionel Chevrier (Laurier): There will not be the slightest hesitation on the part of the opposition to support this bill. The reasons for that will appear obvious to the house. In the first place, it was the former administration which some years ago brought before the house a proposal for the construction of a railway line from Sherridon to Flin Flon in the province of Manitoba, and it is a development of that railway which is now under consideration.

Later on, in December 1957, to be exact, the present government brought forward for consideration to the house construction by the Canadian National Railways of the line from Optic lake to Chisel lake in the province of Manitoba, being approximately 52 miles, of which we approved at that time. It was my colleague, the former minister of transport, the Hon. Mr. Marler who, speaking on that occasion, as recorded at pages 1778-79 of *Hansard*, December 3, 1957, had this to say:

> I should like to mention to the committee that as favourable consideration was given to both of these projects by the former government of which I was a member I may assure the committee that it is not our intention to delay the passing of the resolution or the measure which will follow the adoption of the resolution. I think, however, that the presentation of this resolution does afford an appropriate occasion to emphasize the importance of railroad development to the economy of Canada.

So, the first line which I referred to, namely that from Sherridon to Flin Flon, was submitted to the house by the former Liberal administration. The next, which this one seeks to extend, was submitted to the house by the present government although it had received the approval of the former administration. The minister will remember that it was his predecessor in office who brought the original measure before the house in December of 1957, several months after the change of government. As the minister said, this bill is an amendment to chapter 13 of 6 Elizabeth II, 1957-58 Statutes of Canada, wherein the governor in council was authorized to provide for the construction by Canadian National Railway Company of the line as set out in this statute, namely a line of railway from a point on the Lynn lake railway line at or near Optic lake extending in an easterly direction to a point at or near Chisel lake, both in the province of Manitoba, a distance of 52 miles, at an average cost of $170,000 per mile and a total construction cost of $8,840,000.

I was pleased to hear the minister say that the Canadian National Railway Company has gone substantially beneath that cost, in that the total cost thus far for completion of the line is $6,400,000. If I understood the minister aright—and he will correct me if I am wrong—it was not necessary for the government to come before parliament on this occasion; they could have proceeded to build the line under the jurisdiction contained in chapter 13 of the original act to which I have just referred. If that is the case, I can of course see the reason why the government comes before parliament now. It adds the other eight miles of the line, and instead of being one of 52 miles it now becomes one of 60 miles. That being the case, this is simply an amendment to the original act of parliament of which we on this side of the house approved, in that the legislation now before the house authorizes the construction of a line from Optic lake to Chisel lake, a distance of approximately 8.2 miles. The minister has given the reasons, which are because of additional industrial mineral development in the area, to which I think all members on this side of the house would subscribe.

There are, of course, the usual questions which come to my mind again and I would ask the minister to deal with them when he replies. The first question I put to him is this: why was not a resolution required in the case of this railway, as was required in the case of the previous railway, the discussion of which we have just completed? With regard to the railway having to do with the construction from Whitecourt to the Pan American Petroleum Corporation property there is a resolution on the order paper. With reference to the railway in the province of Quebec there is a resolution on the order paper. In respect of this bill, which will mean an expenditure, as the minister put it, of some $1,800,000, the question which first comes to my mind is, why was there not a resolution?

Then the question I raise again has to do with the guarantee. Will the minister table the guarantee, as he did on a former occasion; and if not, will he summarize for us the general terms of that guarantee? He did make some reference to it but I do not think the references are sufficient to allow us to deal with the matter as constructively as we should like, without further details.

Then the minister said that on the appropriate occasion he would refer consideration of this line to the standing committee on railways, canals and telegraph lines. He did not make that statement with reference to the previous railway, and again I am prompted to ask him whether he will refer the Whitecourt-Pan American Petroleum Corporation line to the railway committee for consideration, as he intends to do in this case. I think we should have replies to those two questions. However, mainly on the ground that this is simply an amendment to an act of which we on this side of the house approved and to which parliament gave its approval in 1957, there is no objection to this proposal; on the contrary, there is support for it.

Mr. Robert Simpson (Churchill): Mr. Speaker, I am very gratified to see the house giving consideration to this bill at this particular time. While we are dealing with this subject I should like to say this measure, and the previous resolution in relation to the construction of a line of railway in Alberta, are projects in which I am sure all hon. members of the house will concur. Their relationship to the continuing and expanding economy of our country is plainly visible.

I am naturally more familiar with Bill No. C-48 which is before us at this time, as this particular branch line is located in the constituency which I am honoured to represent. The original line of railway which was constructed during the last three and a half years from Optic lake to Chisel lake has been in operation now for some months and is transporting ore from the Chisel lake shaft of the Hudson Bay Mining and Smelting Company to the huge processing plant at Flin Flon.

This additional eight miles line of railway will greatly facilitate the transportation of additional ore from a shaft at Stall lake and one other shaft which is now being sunk at Osborne lake. Some method of transportation

will of course be necessary for the transporting of ore from the Osborne lake shaft to the end of steel at Stall lake, but I have every confidence that this will be taken care of in a responsible manner by the industry concerned. It is gratifying, however, to have the co-operation of all concerned in ventures such as this, particularly when one considers the amazing changes which are taking place in the rail transportation system of Canada.

Additional ore in the amounts which it is known will be provided by the opening up of this new area will, I am sure, go a long way toward guaranteeing a very lengthy and healthy economic future for the many residents of Flin Flon, Snow Lake and countless other places in Canada far removed from the actual scene of operations, which derive their livelihood from the operation of the base metal mining industry located at Flin Flon.

The hon. member for Laurier (Mr. Chevrier) has mentioned that the previous administration was responsible for the construction of the original 52 miles of line and for putting this legislation into effect. I will simply say, again, that the line has been constructed during the last three years and is now in operation. I am gratified to know that the present government is losing no time in seeing that the construction of this very necessary additional distance of eight miles is given approval by the house and will be proceeded with at the earliest opportunity.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I intend to delay the house for only a minute or two. As Your Honour is no doubt aware, I spent my boyhood in the northern part of Manitoba, between the lakes, and the dreams on which we were nourished in all those days were of the kind of development in northern Manitoba which was unfortunately delayed rather longer than it was in some of the other provinces. However, this is now going forward at a very rapid rate.

An hon. Member: Good government.

Mr. Pickersgill: It is a great pleasure to us to be able to say that the government is acting wisely in continuing the initiative taken by my hon. friend from Laurier (Mr. Chevrier), by Mr. Marler and by the previous government generally in providing for the railway to which this extension is being proposed by the present government.

Notwithstanding the fact that on the hustings they will no doubt take credit to themselves for the mines which were put there by the Creator, the fact of the matter is that the great railway development of which this present proposal is the logical extension was one which began in the years after the war and which is, happily, continuing now. All of us who have a close association with Manitoba will be pleased that this is so.

Mr. Chevrier: There are some questions which I put to the minister, and I wish he would reply to them.

Mr. Deputy Speaker: I must inform the house that if the minister speaks now he will close the debate.

Hon. Leon Balcer (Minister of Transport): I wish to commend the three speakers who have taken part in the short debate. I am pleased to hear that the opposition intends to support this amending bill. I was also pleased to hear the contribution made by my hon. friend the member for Churchill (Mr. Simpson). All these developments are taking place in his vast and interesting riding and I am aware of the lively interest he has always shown in the great developments which are going on in this marvellous area of Manitoba.

I was also glad to hear the hon. member for Bonavista-Twillingate (Mr. Pickersgill) telling the house that he did not want to compete with the Creator.

Mr. Pickersgill: I leave that to the Prime Minister.

Mr. Balcer: Actually, the Creator has been extremely good to Manitoba, especially in these last few years, first of all by giving Manitoba the marvellous provincial government that it enjoys at the present time and, again, in the support accorded by the federal government.

The hon. member for Laurier has pointed out that in my remarks on the resolution I did not state I intended to ask that the Whitecourt bill be referred to the standing committee on railways, canals and telegraph lines. I intended to do that on second reading. I can assure the hon. member now that we definitely intend to refer this bill to the committee.

He was wondering why we did not have a resolution in respect to this particular branch line extension. I agree with him that this is a unique case as far as bills to construct branch lines are concerned. However, I think it is a good idea that exceptions should occur, because I think such exceptions are a credit to the C.N.R. This is a very pleasant thing to deal with, because we all know that among the general public there is always the reaction: something or other used to cost a dollar 10 or 20 years ago, and now it costs much more. Well, we have good proof in the present instance that with good administration and financial care government institutions can build things and save money, as hon. members will see when they refer to the present bill. The first 52 miles of line

were intended to be built at a cost of $170,000 per mile. We are pleased to be able to say that the last eight miles will cost only $147,000 per mile. I think that is gratifying, and I think the management of the C.N.R., the crews and the contractors who have been working on this branch project should be congratulated on such a splendid job. As I said earlier, the reason we have no resolution is that this bill is intended simply to amend a previous statute and will not cost any money whatsoever to the taxpayers of Canada, over and above what has already been approved by parliament when it passed the previous bill, the act which this measure is intended to amend.

The hon. member for Laurier went back to his old song: why do you not give us the details of the agreement between the private company and the Canadian National Railways. I shall not repeat everything I have said on previous occasions regarding this matter but I hope that when the bill is before the committee on railways, canals and telegraph lines, and the experts of the company appear before that committee, the hon. gentleman will be in a position to ask all the questions which may come to his mind so as to assure himself that this project, in addition to being a good one, has been extremely well handled by the management and personnel of the C.N.R.

I repeat that this is a development project which, besides being good in itself, will provide jobs for Canadians and contribute to the development of a great area of Canada. I am sure all Canadians are pleased to see the province of Manitoba developing its natural resources at such a pace and I recommend this bill to the approval of the house.

Motion agreed to, bill read the second time and referred to the standing committee on railways, canals and telegraph lines.

CIVILIAN WAR PENSIONS

AMENDMENTS EXTENDING PAYMENTS TO CERTAIN GROUPS

The house resumed, from Friday, Frebruary 9, consideration in committee of the following resolution—Mr. Churchill—Mr. Martineau in the chair:

That it is expedient to introduce a measure to amend the Civilian War Pensions and Allowances Act to permit the payment of allowances, similar to those provided for veterans and their dependants under the War Veterans Allowance Act, 1952, to surviving former members and to certain dependants of deceased members of a number of civilian groups of Canadians who made outstanding voluntary contributions to the war effort during world war I and world war II under difficult and dangerous conditions.

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Chairman, I cannot permit this opportunity to pass without some comment on the remarks made on Friday last by the hon. member for Burin-Burgeo who it seemed to me adopted a rather unusual attitude toward this resolution and suggested the government was now making a distincton which did not apply before.

Over the years there has been a considerable desire on the part of various groups to be recognized for war veterans allowance and in response to that request this resolution is being brought forward with the appropriate bill to follow.

The other day the hon. member for Burin-Burgeo expressed concern over the fact that we had not described as veterans these various categories of people. I thought I had explained that point. As reported at page 741 of *Hansard* of February 9 the hon. gentleman said:

We now have in Newfoundland two classes of foresters, those who served in world war I and are veterans and entitled to benefits under the veterans charter and those who served in world war II who are not veterans—

I object to the hon. member's use of the word "now" which gives the impression that this is something the present government has done. The situation with regard to the Newfoundland foresters surely prevailed during world war II. I would think it would be up to the people of Newfoundland prior to confederation to have dealt with the matter, or they could have dealt with it when they entered confederation under the terms of union.

The hon. member may not have intended the interpretation which can be readily taken from his words and I think it is unfair to attempt to attribute to this government the distinction between the two groups. I merely wish to draw that point to the attention to the committee.

Mr. Pickersgill: Mr. Chairman, since I was not in the committee on Friday last, I have read what took place. It is not for me to interpret the meaning of the hon. member for Burin-Burgeo who I imagine will be in the chamber in a moment or two to interpret his own remarks. However, speaking for myself as a person who was a member of the government not immediately after the union with Newfoundland but after 1953, I certainly agree with the minister that it would be quite wrong to blame the present government for the state of affairs that existed before 1957. I cannot believe that the hon. member for Burin-Burgeo would wish to do anything of the sort.

As I apprehended the hon. member's point, I must say it is one with which I agree. As I understood his position, it was that when the situation is being rectified it is unfortunate that the government did not find it possible

to rectify it in a way which would accord the foresters of world war II the same status as those of world war I. I think everyone will agree that by this measure the problem is being rectified to some degree. It may be that the monetary difference will be negligible and perhaps the minister will assure me that that understanding is correct. However, there is a question of pride involved.

I know the technical arguments are all on the side of doing it the way it is being done and I readily admit this is only a sentimental argument. But in these matters no one knows better than the minister, I am sure, how important sentiment is.

There are the two anomalies, if you like. One is that the veterans of the Newfoundland forestry corps who served in world war I are regarded as veterans and those who served in world war II are not, and members of the Canadian forestry corps who served in world war II are regarded as veterans and the Newfoundlanders who served beside them doing the same job are not. I am sure that is the only point the hon. member for Burin-Burgeo was making.

We are very pleased at what is being done. We wish the government had done it last year when the War Veterans Allowance Act was amended and when this course was strongly urged upon the minister. I wish to be completely fair about it. At that time the minister said he would take it under consideration. Obviously he has taken the matter under consideration and has brought in a measure dealing with this question. I am trying to be completely fair and uncontroversial. All I am saying is that I know it would be greatly appreciated if the minister would take the additional action we are proposing.

I am going to make an appeal to the minister. We know, of course, how things are done in parliament. The bill is already drafted but all bills are susceptible of amendment with respect to phraseology particularly if no financial consideration is involved. Between the completion of the resolution stage today and our proceeding with second reading of the bill, as I presume we will very shortly, if it is not already in the bill, could the minister take another look at it and insert a form of words which would meet this sentimental consideration, if you wish to call it that, and that would satisfy the feeling of pride of the men who did such an essential job as the minister pointed out so well on Friday? Could they be given in words a recognition which would give them the feeling the Canadian Legion suggests they should have, that of being regarded as being on a basis of complete equality with other veterans.

[Mr. Pickersgill.]

I do not wish to seem carping or critical. The minister will recall that when we were discussing the matter last year I said I frankly thought the Liberals should have done this when we were in office, but we did not and that is all past. I have not seen the bill but I am assuming that substantially the government is now doing what we feel should have been done earlier. We are grateful for that and appreciate it. However, in doing the substantial thing could it not be made even more acceptable in a sentimental sense if the necessary recognition as veterans could be given these men? If the government were to follow that course I think everyone would be happy. We would be preserving that non-partisan, non-controversial attitude toward questions affecting our veterans which all Canadians have been proud that we have preserved steadily throughout every parliament since the end of world war II. I hope the minister can give consideration to my echo—for that is all it is—of the plea of the hon. member for Burin-Burgeo who, as everyone knows, is a distinguished war veteran and who is very familiar with the feeling in this regard of the Newfoundland veterans, including the foresters.

Mr. Herridge: As one who has been a member of the veterans affairs committee since 1945 and has heard representations from the representatives of the Canadian Legion, the national council of veterans, the merchant seamen's association, the firefighters and others, as well as of the Newfoundland forestry association last year, I must say that we in this group are delighted that the government has seen fit to bring in this resolution proposing the amendment suggested by the minister to the legislation.

After listening to these representations throughout the years and then listening to the minister on Friday last and realizing how small relatively the total cost of these amendments really is, I must say that we are surprised that these amendments were not introduced before this time. In fact, I can remember that on a number of occasions the representations of these various organizations met with great sympathy and an attitude which indicated that the members fully appreciated the circumstances of the persons who were affected by the failure to amend this legislation. In the first instance, unfortunately, they were not considered to be veterans. In the second instance, it was suggested that the cost would be considerable. I repeat once again that we are pleased indeed to see these amendments being proposed.

The proposed amendment to the Civilian War Pensions and Allowances Act is to add a new section in order to permit the payment of

allowances similar in amount to those paid under the War Veterans Allowance Act and under similar conditions of financial need or disability. This is an amendment that has been suggested a number of times during the years. While the number of persons affected is small, those persons will be delighted to know that the representations made on their behalf by various organizations throughout the years have at last been recognized by the government.

Then there is the question of the recognition of the rights and the needs of the Canadian merchant marine and those Canadians who served in the merchant services of the allies in world war I. It will be noted that the annual cost mentioned by the minister is about $105,000. It is obvious that with the passage of time death has taken a good many persons who prior to their decease should have enjoyed the benefits of this legislation. However, "better late than never". We are very pleased to see this amendment.

With respect to the Canadian merchant marine and those Canadians who served with Canada's allies on certified non-Canadian ships in the second world war, and the proposed amendment, my previous remarks apply. Once again the minister mentions that the estimated present annual cost of allowances to this group is about $500,000. While $500,000 is a great deal of money in one sense, it is a relatively small amount in the sense of rendering justice to the group included in this amendment. Throughout the years we have heard but without effect representations from the merchant seamen's association, and others on their behalf. However, we are pleased that at last their rights and needs have been recognized.

Then there is another interesting amendment, namely the one that provides the same recognition to the corps of civilian Canadian firefighters who served in the United Kingdom in world war II. Many times in the parliamentary committee on veterans affairs we have discussed the rights and the needs of these veterans and we were told that following the first world war the late Colonel La Fleche who later became General La Fleche promised these men that they would be treated as veterans on their return to Canada. I think the minister was a member of that committee at that time. He will recall the long discussion we had with respect to this subject. Here again I note that the estimated annual cost is $12,000. The annual cost in the first instance must have been very small in this instance. It is another indication that the rights and the needs of these veterans should long ago have been recognized. However, we in this corner are very pleased that at last the survivors of this group are to be recognized by this amendment.

Then there is the question of the detachment that was selected by the St. John ambulance brigade to serve with the British Red Cross. These men were sent to Britain in order to assist the women, the V.A.D., and to do other work. They have also been recognized in this proposed legislation. I am sure the costs in this case are also very small now.

Then there is the question of the overseas welfare workers who served in world war II. Their rights and needs have been put forward by the various veterans organizations and by members of the various parties in this House of Commons on occasion throughout the years. The minister told us that the annual cost would be very small.

Then with regard to those who served in Canadian civilian air crew of the Royal Air Force transport command in world war II may I say this. There again in the veterans affairs committee we have heard representations on their behalf by the Legion, the national council of veterans and other groups, but without any effect until this amendment now proposed. Here again the minister mentions the fact that the annual cost will now be very small. We are glad that at last their rights are recognized.

Then the last group we heard from was the Newfoundland overseas forestry unit. I think I am correct in saying that we did not have before the veterans affairs committee any representations on behalf of the Newfoundland overseas forestry unit that served in the second world war, until the last session of parliament when we were well informed on this subject. I think the hon. member for—

Mr. Pickersgill: The hon. member for Bonavista-Twillingate and the hon. member for Burin-Burgeo.

Mr. Herridge: Yes, the hon. member for Burin-Burgeo and the hon. member for Bonavista-Twillingate. I give them full credit for informing us very fully with regard to the circumstances surrounding the service of this group.

The Chairman: Order. It being five o'clock it is my duty to leave the chair in order that the house may proceed to the consideration of private members' business, pursuant to section 3 of standing order 15.

Progress reported.

Mr. Deputy Speaker: It being five o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely private members' notices of motions.

PENSIONS

REQUEST FOR DISALLOWANCE OF CLAIMS FOR DEDUCTIONS

Mr. W. H. McMillan (Welland) moved:

That, in the opinion of this house, the government should consider the advisability of encouraging reasonable early vesting of pension rights of employees by disallowing in whole or in part the employer's claims for a deduction of the expenses of pensions for income tax purposes where reasonable vesting provisions are not adopted.

He said: Mr. Speaker, I will not read the resolution again. It is designed to promote the earlier vesting of pension rights in the various pension schemes in vogue in Canada at the present time. I realize that if all pension schemes were on a national level and operated nationally the situation would be much better. We could then have early vesting and full portability of pensions. When I put this motion on the order paper agreement with the provinces seemed to be rather remote and I have not seen anything this session that would lead me to think otherwise.

In the various pension schemes now available for employees in Canada certain things are generally true. The great majority of such schemes comprise those where employer and employee both make contributions toward the scheme. However, there are a number of union agreements where the employer makes the full contribution. I know that there are some exceptions but it is fairly generally true that the employee may recover his contributions if he terminates his work with the employer before the plan matures. It is also fairly generally true that the employee has no right to expect any part of the contributions paid into the plan on his behalf by the employer until the time of maturity is reached. This usually occurs after a period of 20 years or after an attained age or after a combination of both.

In many of these plans the employee has no claim to the part contributed by the employer if the employee's service falls short of the date of maturity by a month, a week or even a day. It has been stated, and I think there is some truth in the statement, that employers' contributions are in a sense wages withheld. The loss to an employee who is almost at retirement age would amount to some thousands of dollars, calculated on the basis of his life expectancy, if he misses out on his pension.

I am free to admit that matters of this kind come under the jurisdiction of the provinces,

[The Chairman.]

but the people of Canada subsidize these pension schemes in respect of employers' contributions to the extent of almost 50 per cent. These contributions are subsidized by reason of the fact that they are exempt from income tax and the exemption amounts to almost 50 per cent since their income tax rate is almost 50 per cent. The government grants this income tax exemption for a very worthy purpose, and if the handling of these pension funds does not meet the wishes of parliament, then I maintain that parliament has a right to withhold a part of this subsidization or even all of it unless certain conditions are met.

The resolution proposes to bring about the earlier vesting of pension rights, not by legislation which would be outside of our jurisdiction but by withholding some of the concessions granted under the Income Tax Act.

The services of employees may be terminated for many reasons. For instance, a plant may be moved. I have known of cases where plants have been moved and a number of the older employees who were near the pensionable age were left high and dry and did not receive any pension. The same thing would apply in the case of a mine. The mine might run out of ore, which often happens. The employees might be close to the pensionable age but they would get no pension.

There are various other reasons. For instance, I have known of an employee having to quit work in a plant because he developed an allergy. The plant adopted new processes involving new gases and the employee was allergic to these gases. He did not become sick but he could not continue work because of his allergy. There may be family reasons why an employee would want to move to another job. The education of his family is one example.

If earlier vesting were allowed I think this would help to make pensions portable. It would help older workers aged from 40 to 45 years to get work. If such a person applies for work at a plant at the present time, he is turned down because of his age and because he cannot pay 20 or 25 years back contributions into a pension plan. If he could take his equity to a new pension plan his chances of employment would be improved.

I am not indicating a time when there should be earlier vesting in these pension plans. It seems to me that an employee who has given a number of years of faithful service should have some vesting after ten years or even earlier. If it were done on the government level there could be vesting from the first year of service.

The government could overcome many of the injustices in private pension plans by the simple expedient of withholding these rights under the Income Tax Act. This would be a

great benefit to most of the working people of Canada engaged in industry. Circumstances can develop which can result in almost anyone being deprived of his pension. I must say that the industries in my area have been most fair. They have placed men on pension even before the maturity of their plans. On the other hand, I know of other cases where men have worked almost up to the maturity date and did not get a pension. I do not think this should be so.

I might say that another injustice in these pension plans has been brought to my attention. A number of industrial pensioners over 70 will not get the $10 increase in the old age pension which we have just provided. Many of them were placed on small industrial pensions at 65. When they reach the age of 70 their industrial pension is reduced by the amount of the old age pension and a number of these pensioners will suffer a further reduction of $10, or part of $10, in their industrial pension when we start paying them the extra $10 old age pension this month.

These people's pensions were calculated on the basis of a $40 a month old age pension; but now, when the old age pension is increased to $65, to me it does not seem quite right that they should be losing because of the increase we have granted in the old age pension. We are actually helping the pension fund, not the recipients, in these particular cases.

I do not know how many such cases there are in Canada but I am aware of a few. Our party is committed to making pensions portable. I notice the statement in the speech from the throne that an attempt would be made to secure the concurrence of the provinces in respect of certain payments, it goes on to say—

> —and will take into account private pension arrangements and the need for legislation concerning portability of pension rights.

Now, it is very important to note that the letter written by the Prime Minister on January 17 to the provincial premiers sets forth certain matters but does not mention the words "portability of pensions." That appears in the speech from the throne but is not mentioned in the Prime Minister's letters. I think that, had the government the intention to go ahead with a scheme providing for portability of pensions, it should have indicated this to the premiers of the provinces. I would like to know if the government really intend doing anything about it. To me it seems so important that it should have been referred to the premiers. Personally, I do not think the government intend going ahead with it because the letter written by the Prime Minister was quite a lengthy one in connection with amending section 94A of the British North America Act, but did not contain any reference to portability of pensions.

Mr. Broome: Would the hon. member permit a question before he takes his seat?

Mr. McMillan: Yes.

Mr. Broome: Would the hon. member not tell the house how a countrywide pension scheme available to every citizen of Canada must not therefore be portable? Lack of portability means a company plan, but this is a national plan. Would the hon. member reconcile what he says with that view.

Mr. McMillan: I am talking about the private pension plans now in force. I am not talking about any proposed national plan.

Mr. Broome: That is what you are referring to in the speech from the throne.

Mr. McMillan: But it was never referred to any of the premiers of the provinces, so far as I can see. If you read the letter you will see that.

Mr. Bell (Carleton): Would the hon. member permit another question? I was following the hon. gentleman very carefully in an endeavour to discover what he meant by his phrase in the resolution "reasonable early vesting." He indicated that perhaps in some circumstances it would be 10 years, and perhaps one year in other circumstances. I think it would facilitate the understanding of the house if the hon. gentleman could tell us just in what circumstances one year, and in what circumstances 10 years would be considered as "reasonable early vesting?"

Mr. McMillan: I think I mentioned that right from the start, from the first year, you would have vesting if you had a national scheme but, under these private plans I do not know. That would have to be figured out mathematically; but the ideal would be to have vesting right from the start. I do not know whether or not it is feasible to get these particular plans down to one year until such time as we get a national scheme.

Miss Margaret Aitken (York-Humber): Mr. Speaker, I commend the hon. member for Welland (Mr. McMillan) for bringing this subject of portable pensions to the attention of the house. I know it is of great interest to many people in my riding and, as is well known in this house, last year the Ontario government brought in a draft bill dealing with compulsory portable pensions. The then premier of Ontario, the Hon. Leslie Frost, said he was bringing the bill in and he wished there would be the widest discussion on it by interested parties. Actually I do not agree with the hon. member for Welland

because I think this problem of portable pensions should remain under the jurisdiction of the provinces, since the provinces are much closer to the people, and certainly contributory pensions are very close to the people.

In the House of Commons last week we had a great deal of discussion on universal pensions for all Canadians. I am inclined to think the federal government should provide the basic old age pension, plus a contributory system to the old age pension by which every citizen can contribute to it; then it should leave the problem of portable pensions to the provinces, as there are problems attached to portable pensions and many people who do not want them.

For instance, there are three words that keep cropping up in regard to portable pensions. Those three words are "mandatory, compulsory and restrictive". The Ontario draft bill states it would be compulsory for employers of 15 or more persons to establish a pension plan by 1965, meeting certain minimum standards. The draft bill also states that the pension plans would be mandatory upon all employees over 30 years of age, and it says there would be restrictions placed on refunding contributions from the employees, and that employers contributions would be vested in the employees.

When we ask governments to provide us with more and more security the inevitable result is that we chop away more and more fragments of our own freedom. Portable pensions mean that a government is forcing a man to save his own money in one particular way, and I should like to give an example of this.

A friend of mine went to work for a certain firm at the age of 20 years. When he reached his early 40's he decided he wanted to go into business for himself, and he really was not aware that the pension fund to which he had been contributing for about 19 years had refund restrictions. He thought he would be able to get about $6,000 out of the fund, $6,000 that he himself had paid into it. He found that was not so and the $6,000 he had saved had to remain in the fund. He was given a minute pension which was no use to him at all at that time and, as it subsequently turned out, he is now paying most of the pension into income tax. Hon. members may ask: what did government have to do with that particular case? Government had nothing to do with it; it was between the man and the company for which he worked. But not all pension plans have refund restrictions, and if government steps into this competitive field to make it mandatory, with regard to all pension funds, that no employee will get his own money back, it seems to me this will create hardship for many people.

During the past two decades there has been a tremendous growth in employee-employer pension plans. Much credit goes to the unions which have negotiated wisely in this regard; much credit goes to responsible employers who have seen the wisdom of these pension plans and have used them to attract and hold good employees.

Then we must remember that some pension plans are much better than others. Some employers have shown a far higher sense of responsibility toward their employees than others, and excellent pension schemes have been built up. When government moves into these competitive fields, making them mandatory, compulsory and restrictive, almost inevitably the schemes would be reduced to the lowest denominator. I am afraid that is what would happen if the government started legislating portable pensions.

It seems to me that the perfect way to operate portable pensions would be for employers, employees and insurance companies to work out plans without government interference or legislation. By all means let us encourage portable pensions. Perhaps this resolution brought forward by the hon. member for Welland (Mr. McMillan) would do that by discouraging employers through not allowing tax deductions. I think if we can encourage responsible employers, union negotiators and insurance companies to work toward portable pensions, that is the best way to do it. Let us be careful of federal government interference in what could be extremely rigid and extravagant legislation which would please no one.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I take a certain amount of satisfaction in rising to support the resolution moved by the hon. member for Welland (Mr. McMillan), which reads as follows:

> That, in the opinion of this house, the government should consider the advisability of encouraging reasonable early vesting of pension rights of employees by disallowing in whole or in part the employer's claims for a deduction of the expenses of pensions for income tax purposes where reasonable vesting provisions are not adopted.

This resolution should receive the support of hon. members on all sides of the house. It is not in any sense infringing upon anyone's personal liberty; it is simply asking the government of Canada to accept its responsibility in promoting the vesting of pensions to the advantage of the employees of corporations of this country by making certain provisions in the Income Tax Act. Throughout the years the hon. member for Welland has carried on a continuous campaign in this regard. I must

say again that I take some pleasure in having been personally associated with him in this respect.

I represent a constituency in which the largest union is the international union of mine, mill and smelter workers—who are a jolly fine lot of fellows. That union was the first one, to my knowledge, to make representations to the former government to consider income tax regulations that would provide for what was then termed the transferability of pensions. The word "portable" has since come into more general use. The Canadian Congress of Labour and other unions associated with the congress have throughout the years made representations to the former government and this government to give effect to what is the principle behind the resolution of the hon. member for Welland.

There is an interesting history to this question. The former Liberal government issued what was known as the famous blue book, which provided certain regulations with respect to the vesting of pensions. These regulations were over the signature of the former minister of national revenue, the late Dr. McCann. Apparently very little was known about these regulations until the officers of the mine, mill and smelter workers union in Trail suddenly discovered that the government of the day was not living up to its own regulations. This was brought to the attention of the government by that union, later by other unions and by members of the opposition, including supporters of the party at present in power.

As a result of those representations the minister of finance ordered an investigation. Hon. members will remember that this investigation went on for some months and representations were heard from various large corporations interested in this question. After these representations had been heard and the unions in Canada had been kept, as it were, on tip toe or in suspense for a period of months, it was finally decided that the government was not going to enforce the regulations with respect to pension vesting as found in what has now become known as the famous blue book.

However, this was a subject of such importance to emloyees that the mine, mill and smelter workers union—which represents the employees of the Consolidated Mining and Smelting Company in west and east Kootenay—continued to negotiate with the company in an effort to get the company to recognize the principle of transferable or portable pensions in its agreement with the union. They did this because, without the vesting of pensions the employee has no vested right in the pension and is almost affixed to his employment until he receives his pension rights in the ordinary course of events. The vesting of pensions makes it possible for employees to have a certain mobility. If they wish to move, for family, health or other reasons, they will not lose all they have invested in a pension fund by virtue of discontinuing their employment with a certain corporation or company.

In this respect the Consolidated Mining and Smelting Company was the first large corporation in Canada to include pension vesting in an agreement with the union which represented the employees. So the workers employed by the Consolidated Mining and Smelting Company have the right, on attaining age 50 and after 20 years service with the company, to have their pension payable to them when they reach retirement age whether or not they are employed by Cominco. This means they can sever their employment with the company, go to work for any other company, and they still have a vested right in their pension. They can sever their employment for any reason whatsoever without losing their pension rights. This pension plan also allows an employee with 25 years service, regardless of his age, to commute his pension to the benefit of his wife. This agreement brought to a successful conclusion some years of negotiation between the union and the company to achieve these ends.

While this right has been obtained by the employees of Consolidated Mining and Smelting Company as a result of bargaining between the bargaining agent of the union and the company, the employees of that company are still not satisfied that this is the final answer to the question. The employees of the company, although they enjoy rights not enjoyed by most other employees of large corporations in Canada, want to see this right obtained as a result of law, as a result of the federal government accepting certain responsibility, and not only as a result of negotiation and bargaining.

I am sure the present government is fully acquainted with the situation. I notice the hon. member for Carleton (Mr. Bell), parliamentary secretary to the Minister of Finance (Mr. Fleming) is taking a great interest in what hon. members opposite him have to say on these matters and I have no doubt he is fully acquainted with all the circumstances surrounding this question of pension vesting and with the arguments which have been put forward by the unions, by the hon. member for Welland (Mr. McMillan), the hon. member for Kootenay West (Mr. Herridge) and other members of this house. We trust he will be favourably influenced by the arguments put forward on this occasion.

However, we must emphasize that we support this resolution applying to private pension plans as the first step in the establishment of a national pension plan. Pending the introduction of such a plan we urge the government to accept some responsibility in developing pension vesting, and in promoting the idea of pension vesting by recognizing it in certain regulations relating to the Income Tax Act. We in this group have always urged the solution as being a national pension scheme. We notice there is mention of such a scheme in the speech from the throne this year and we are delighted to know that this small group to which I belong has had a favourable influence on the government at an expedient moment. We are looking forward to the introduction of legislation concerning a national pension plan and we hope we shall hear the details of such a plan prior to dissolution, so that we may know exactly what the government has in mind. Possibly, in view of the great interest the hon. member for Carleton takes in this subject he will give us a hint, or at least some intimation, of the benefits which are to flow from the sentence in the speech from the throne which has aroused our anticipation with respect to a national pension plan. I can see the hon. member is sitting anxiously in his seat waiting for the moment when he can have something to say on this subject.

Mr. R. J. McCleave (Halifax): I am not really surprised to find that the members on your immediate right, Mr. Speaker, are echoing each other—

Some hon. Members: Left.

Mr. McCleave: I am sorry. I should have said "to your immediate left". I apologize to hon. members on your immediate right. Perhaps I should begin again.

I am not surprised to find those who sit on your immediate left following each other with such enthusiasm on behalf of state intervention in a matter which is primarily a personal matter. I am the first to concede that there are problems which will arise, as the hon. member for Welland (Mr. McMillan) has pointed out, when people who are almost within sight of receiving a pension are disqualified from doing so for one reason or another, possibly missing it by a day or by a week. I think that is something which should cause us concern in this parliament as a state of affairs which we should naturally seek to remedy.

I am not sure that by using the stick of the state to beat malefactors we are going to achieve the result sought by the hon. member for Welland. I used the phrase "the stick of the state", but the hon. member put it in more eloquent language by suggesting that the problem would be solved by disallowing in whole or in part an employer's claims for a deduction of the expenses of pensions for income tax purposes where reasonable vesting provisions are not adopted. This means that parliament would be asked to intervene, as he puts it, in pension arrangements between employers and employees—to be, as it were, an arbitrator and to hold a penalty over the heads of employers who do not give their employees reasonable vesting facilities.

The first thought that comes to my mind is that one of the parties to a pension plan, the employer, has a contractual obligation, and the other, the employee, has a contractual right. These are usually hammered out in the form of a lengthy document held by the trustee to whom the pension payments are made. Surely, if there is any question involving a hiatus of time—a case of an employee who fails to qualify by a day, a week, or even a few months—there should be some provision in the contract for its solution. For example, there might be provision in the contract for the appointment for an impartial board of arbitration whose members would comprise somebody appointed by the employer, somebody appointed by the employee and, perhaps, a third party agreed on by both. This board could then consider the justice or injustice of the employee's claim.

Surely, what we have in the present proposal contains a suggestion of the big stick —the suggestion that the state must intervene because other remedies are useless. Perhaps the state should, indeed, intervene if no other way around the problem can be found. But it would not be a parliamentary intervention. We would simply be setting wheels in motion, if we pass this resolution, and putting the proposal into legislation which would then become a matter for bureaucratic interpretation. I do not use the word "bureaucratic" as a colourful adjective or in any invidious sense whatsoever. But when one is dealing with such an important matter as the Income Tax Act he has to be extremely careful. It is necessary to spell out rights and obligations in endless detail in regulations and memoranda so that there is as little discretionary right as possible left with the civil servants who will be applying these regulations, and so that decisions may be laid down as far as possible within the four corners of the regulations themselves.

I point this out because I think it indicates a serious defect in the approach made to this question by the hon. member for Welland. I do not quarrel with the hon. member's intention, but I point out that it would not be for parliament to spell out the regulations

designed to see whether an employer was acting justly or unjustly. Rather, it would be for the Department of National Revenue to control this aspect of the situation. In short I am asking: can regulations ensure justice, or is there a possibility that some other means can be found of achieving the objects which the hon. member for Welland has in mind. As I say, I do not quarrel with the end the hon. member seeks to achieve; I quarrel with the way in which he would go about obtaining it.

The question of the portability of pensions was raised in the debate this afternoon. The hon. member said he thought pensions would be made more portable if this resolution were adopted. I followed him anxiously at that point because I had some reservations about this matter and I regret to say the hon. gentleman has not dispelled the reservations I hold.

The hon. member said, for example, that older men and women would have a better chance of employment. I believe that was the spirit of what he said. The employment of older people is a serious matter, of course, and if the hon. member's suggestion is correct we would hasten to accept the remedy. But as I look at the situation I think the hon. member's resolution would result in there being rather less chances of employment for these people, because in its final form the resolution really means a person instead of accepting his pension at age 65 or 70, let us say, under certain conditions would be entitled to receive it at an earlier age. It seems to me this could very well lead to employers being hesitant about employing older people who, instead of continuing in employment for 10 or 15 years, might work for only five or 10 and then seek early vesting of their pension rights.

I may be wrong and I hope I am—

Mr. McMillan: You are.

Mr. McCleave: The hon. member for Welland indicates I am wrong. It is obvious we hold different opinions. I think on balance it will be found the hon. member would not achieve the laudable objective of this resolution, part of that objective being to assist older people.

Another feature of early vesting of pensions and the portability of pensions is that where portability is achieved it may result in freeing some people from what might be called slavery in certain employment. This seems to be an obvious point. If over a period of time, you have sunk part of your earnings in a pension investment, you are dissuaded from changing positions because the new employer may not wish to assume the pension rights you have already built up. Perhaps the resolution overcomes that problem in that pensions would become more portable, although as I read the resolution it does not really appear to meet that argument at all.

A severe problem arises concerning the type of contract one has when moving from one job to another. Pension rights are usually set out in detailed documents. A trustee, generally a trust company, is appointed. They have clear rules and regulations about how the money is to be invested. It strikes me that the resolution does not deal with the serious problems that could arise in relation to the trustees when a person moves from one job to another.

Mr. Broome: Mr. Speaker, would the hon. member permit a question?

Mr. McCleave: Certainly.

Mr. Broome: Has the hon. member ever heard of people seeking employment who could not get it because their pension plan was so good it would be to the disadvantage of the company to employ them? This has happened to dozens of people I know.

Mr. McCleave: Mr. Speaker, I thank the hon. member for Vancouver South not only for providing me with a question but also for providing me with the answer. Of course I have, Mr. Speaker. Does that answer the hon. gentleman's question?

Let me now deal with the problem of building up a staff of trained and skilled workers within an industry. This point I make applies whether a man stays with his job or moves somewhere else with a portable pension. My point is this. The resolution is designed to encourage the reasonable early vesting of pension rights. Unless one is very careful with respect to exactly what constitutes reasonable early vesting, I think some employers would be chary about accepting an employee who moved with his portable pension. I could see it happening even where a person received certain training on a job and then just when he reached fruition in his earning capabilities for the company wished to demand the reasonable early vesting of his pension rights.

Those are some thoughts on the subject highlighting what I think would be some of the problems which would beset the hon. member for Welland and his resolution.

In conclusion I wish to make it clear that I consider the spirit of the resolution sound, as it deals with the early vesting of pension rights. It is sound in the sense that it seeks to protect those who have worked long and hard and yet have fallen short of their goal and who should not be deprived of receiving those rights by the arbitrary whim of their employer. I think that is a laudable objective but I have grave reservations whether

the use of the Income Tax Act and the drawing up of endless bureaucratic regulations will be effective in carrying out this utterly laudable objective.

Hon. Paul Hellyer (Trinity): Mr. Speaker, I am pleased to support this resolution. I hasten to dissociate myself from the two extremely reactionary and negative interjections made by the hon. member for York-Humber (Miss Aitken) and the hon. member for Halifax (Mr. McCleave). To say that this resolution proposes the "big stick" idea is just nonsense.

The state has granted to some people the privilege of deducting from taxable income certain amounts under certain conditions, and now upon examination it is found that this often does not work to the advantage of either the state or many of the individuals concerned. The time has come for a re-examination. It is not a question of bureaucracy nor of state imposition. Quite contrary to what was suggested by the hon. member for York-Humber it is a case of liberating citizens, of giving them back their rights, of allowing them to do what is in their own best interests. It is in this spirit that the resolution is put forward.

My friend the hon. member for Welland (Mr. McMillan) in his resolution does not attempt to legislate. He has merely put forward an idea which is of some urgency and cries out for attention and early action.

Mr. MacInnis: Would the hon. gentleman permit a question?

Mr. Hellyer: Certainly.

Mr. MacInnis: In his opening remarks the hon. gentleman referred to what was said by the hon. members for York-Humber and Halifax. I ask the hon. gentleman now whether he is aware of the situation with respect to 7,000 miners in Cape Breton?

Mr. Hellyer: I do not know what my hon. friend is referring to, in detail, Mr. Speaker, but if he will send me a short résumé of what it is to which he refers I shall be glad to answer his question later, if time permits.

The portability of pensions is one of the most urgent of the new problems facing us as an industrial nation. I describe it as a new problem for this reason. Industrial pension plans were put into effect for a purpose. They were designed to fill a need at the time. The purpose was to provide security for workers in their mature years and after retirement. But the nature of the plans has created new problems not envisaged at the time they were established. Some people wish to leave their employment before the age of retirement. The mover of the resolution has cited some of the reasons why people wish to do so from time to time. Other persons are laid off before they are entitled to vesting privileges.

They are the losers. The only people who gain are those who stick it out until the end, those who remain until the age of retirement. The approach to the company pension plan depends on what hat you are wearing. From the standpoint of industry its purpose, to an extent at least, is to make it difficult for valuable employees to leave their employment. A pension plan becomes in a sense a ball and chain to a particular firm. An existing plan has same advantages for management and for some long term employees who remain until retirement. However, there are disadvantages for both management and employees and these are very substantial ones.

Management sometimes keeps on staff an employee who has grown stale and has lost interest in his job, and this is done because he is near the retirement age. Not all management is that altruistic but there have been many cases in which this was done. It is also true that management is unable to hire new employees of mature years. Many potential employees who have great skill and who are settled in their habits cannot be hired because their hiring would upset the actuarial soundness of pension plans.

From the employees' standpoint pension plans are equally unsatisfactory, if not more so, except of course for those who remain in the same employment until retirement. Unemployed workers are barred from employment because of age. Mature workers who want only the right to work are denied that right. To my hon. friends opposite I say this. In the last few months I have interviewed many individuals who are not old by ordinary standards. I refer to persons of age 40 years to 45 years. Some of them have sought employment in every major industry in the Toronto-Oshawa-Hamilton area and have been turned down because of their age. I ask my hon. friends this question: Is this liberty? Is this freedom? Is it right that a 40 year old Canadian should be barred at the door of a large industry because his employment would upset the actuarial soundness of a plan which is a privilege granted by this parliament of Canada? Is that what they call freedom? I do not think it is.

Employees are denied the right to move from job to job for their own betterment. People learn from experience. The broader his experience, the more proficient and valuable a person becomes. Company pension plans restrict the movement of labour as do other plans, as a matter of fact, such as

the civil service and education board pension plans. I am one of those who believe that it would be good for many civil servants to take a two year sabbatical leave once or twice during their lifetime and to seek employment in industry. When they return to the civil service I am sure that they would be much more valuable and experienced persons; that their perspectives would be better and that they would be better able to see both sides of a problem and to gauge more accurately the relative merits of suggestions made to them by industry and commerce.

If school teachers could leave teaching for a year or two at least once or twice during their careers and accept other employment, I think they would gain from the breadth of knowledge that would then be available to them. I believe they would become more valuable, experienced, knowledgeable and understanding teachers than they were before they had the advantage of this outside experience. This statement applies as well to clergymen and others.

At the present time those who participate in retirement plans are denied the right to do this as, should they leave their employment, they lose their pension rights in most cases. This is a restriction which I think is a disadvantage. The desirability of mobility is real and the advantage of mobility is real. If this is so, as I maintain it is, portability should not be confined to provincial boundaries.

The question of jurisdiction has been raised. Whether or not this is a matter which falls entirely within the competence of the provinces is a matter of opinion. Some people think it is such a matter. Other people think that it is not such a matter. If it lies within the competence of the provinces, I think a constitutional amendment should be sought. My hon. friend from York-Humber made reference to the Frost plan which was widely discussed last year. However, in the opinion of many people the Frost plan was too narrow, too restrictive and would not accomplish the purposes which must be accomplished. I think it would be better—

Mr. MacInnis: Will the hon. member permit a question?

Mr. Hellyer: My time is almost up.

Mr. MacInnis: That is why I wanted to get the question in.

Mr. Hellyer: Rather than proceed with an inadequate plan, I think it would be better to wait until we can have a national plan. I think that national portability of labour is essential. With the spirit in mind which has been put forward by my hon. friend, I hope that we can work out a plan, which will permit Canadians from coast to coast, who contribute during their working years, to enjoy the benefits of continuous vesting and to be able to take their pensions with them from job to job so that they can work where they like, when they like, in their own best interests and at the same time in the best interests of their country.

Some hon. Members: Six o'clock.

Mr. Speaker: It being six o'clock the house will revert to the business which was interrupted at five o'clock.

CIVILIAN WAR PENSIONS

AMENDMENTS EXTENDING PAYMENTS TO CERTAIN GROUPS

The house resumed consideration in committee of the following resolution—Mr. Churchill—Mr. Martineau in the chair:

That it is expedient to introduce a measure to amend the Civilian War Pensions and Allowances Act to permit the payment of allowances, similar to those provided for veterans and their dependants under the War Veterans Allowance Act, 1952, to surviving former members and to certain dependants of deceased members of a number of civilian groups of Canadians who made outstanding voluntary contributions to the war effort during world war I and world war II under difficult and dangerous conditions.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Herridge: Mr. Chairman, just before we entered upon private members' hour at five o'clock I had been dealing briefly with the resolution preceding the bill to amend the Civilian War Pensions and Allowances Act and with certain proposals contained in the resolution. At the time of adjournment of the debate I was dealing particularly with the belated recognition of the rights and needs of members of the Newfoundland overseas forestry unit in world war II. I had just given credit to the members of the house from Newfoundland who fought so vigorously during the sessions of the veterans affairs committee last year on behalf of their constituents who served in this unit.

In view of the particular circumstances involved and having listened to the very convincing evidence that was presented to the veterans affairs committee last year, I wish to say on behalf of this group that we wholeheartedly support the contention of these hon. members that those persons who served in the Newfoundland forestry unit in world war II

should be recognized as veterans. After listening to the evidence I was quite convinced that they performed all the services that had been performed by a similar unit in world war I, the only distinction being that under the circumstances that existed in world war II they failed to wear an official uniform as a unit of the Canadian army. Finally, I wish to say that, regardless of party, I am sure we all rejoice in the introduction of this resolution which provides further recognition of the rights and needs of those who served Canada so well during the dangerous years of war.

Mr. Jones: Mr. Chairman, perhaps you would permit me to depart from the usual practice in speaking on such resolutions to deal very briefly with an event which I am sure has touched every member of this house who has been interested in the veterans over the years. I refer to the passing of Judith Robinson, a remarkable and distinguished member of the press gallery, an accomplished critic and a great Canadian but above all a person who fought throughout the years for the rights of veterans, particularly the pensioners and those entitled to war veterans allowance.

I should like to pay tribute to her not only for her qualities of excellence in her journalistic career, not only because I counted her a friend, as so many others did, but primarily on behalf of her special friends, the veterans of Canada, especially the veterans of world war I who received her constant help and encouragement. She fought for them during all her adult life in the tradition of her father before her. As all hon. members will recall, she learned of their problems from her father and from others with whom she came in contact. After the passing of her father she carried on the battle in a never-ending crusade for the betterment of the lot of the veterans. I think everyone in the house will join with me in saying that not only was she a good writer of the highest integrity, an incisive critic, a devotee of democracy and a watchdog of the rights of the people in parliament but she also held a special place in the heart of the veterans. The memory of this fighting lady from the Toronto *Telegram* still holds that warm place in their hearts.

I should like to deal now with some of the remarks that have been made during the course of the debate on the resolution now before us. When I first came to Ottawa as the member for Saskatoon I roomed with the hon. member for St. John's East, a Newfoundlander. Our association was productive of many interesting exchanges. One of the first things we discussed, he being a very young man, was the general position of veterans in Canada, and in particular the position of veterans and others in Newfoundland who had served their country. I remember discussing with the hon. member for St. John's East during the years 1957 and 1958 the question of the Newfoundland foresters and how something might be done to give recognition to the contribution they had made in defence of what is now part of Canada. On this occasion I should like to pay tribute to the work he has done, and also to that of the Solicitor General. These two gentlemen have been responsible for a great deal of my education in regard to Newfoundland and, over the years, I think we have undertaken certain joint ventures that have resulted and will result in benefits to Newfoundlanders as well as to the country as a whole.

In dealing with this particular aspect of what is broadly called the veterans charter, I believe we should pay tribute to those who have taken the time and occasion in years gone by to further the cause of those particular persons who are mentioned in this resolution brought in for the benefits available under the War Veterans Allowance Act by virtue of the resolution that included them under the Civilian War Pensions and Allowances Act.

In reply to the hon. member for Bonavista-Twillingate I may say that there will be no distinction between these, the classes brought under the Civilian War Pensions and Allowances Act in regard to the allowances they receive, and the others under the War Veterans Allowance Act. As with all items of the veterans charter these, I believe, are non-controversial pieces of legislation. They are outside the realm of party controversy.

From time to time since 1958 the hon. member for Burin-Burgeo has mentioned the foresters. I think it is perhaps fair to say that with the change of government there has been this interest shown for the first time as evidenced by this resolution, in rectifying a number of the anomalies that have existed in legislating for benefits for those who helped in the defence of the country. Ever since this government took office there has been an extensive and continuous review of the various items of legislation which make up the veterans charter. Now that we have reached this particular item, the Civilian War Pensions and Allowances Act, I am very glad to say it is possible to provide for the inclusion of the world war I Canadian merchant marine and the group of Canadians who served in the Canadian merchant services of the allies, the world war II Canadian merchant marine and the group of Canadians who served with Canada's allies on certified non-Canadian

ships, as well as the world war II group of civilian firefighters who had service in the United Kingdom.

In regard to the latter group, if I may again say a word in reminiscence, I had no sooner been elected in Saskatoon than I received representations on behalf of this particular group. The Canadian firefighters asked for their inclusion in this legislation and I am glad this has now been achieved. Then also there are the groups of world war I and world war II voluntary aid detachments and world war II overseas welfare workers, world war II Canadian civilian aircrew of the Royal Air Force transport command, in addition to the Newfoundland overseas foresters unit.

I have a particular interest in the civilian air crew of the R.A.F. transport command, as it later became known. It was originally known as the R.A.F. ferry command. While serving with the R.C.A.F. I was seconded for most of the war to the R.A.F. and served for some time with the R.A.F. ferry command, and later with the R.A.F. transport command, originally based in Dorval and later overseas. Many of the gentlemen who took part as civilians in that gigantic operation of getting aircraft from the new world to the old, aircraft that were in serviceable form to take part in the defence of Britain and later Africa—these gentlemen came from all walks of life and were a most amazing and interesting collection. They had been barn-stormers, civilian air line pilots, or persons who had taken wireless navigation in their spare time.

They came to Montreal in the early days of the war and there embarked on the trip across the North Atlantic which, in the aircraft of that time, was quite a formidable venture. It is interesting to note that the fatal casualty rate of that group was something like 22 per cent and most of the fatalities occurred not from enemy action but from weather, engine failures, mechanical defects and things of that sort. It was quite a high ratio and in my particular group the ratio was 25 per cent killed.

Those of us who were in the air force had the protection of the veterans charter but those who were civilians, although they were paid well at that time, had none of that protection. I am very, very pleased it has been possible to have those gentlemen included under this particular act. I thought it might be interesting to place on the record some of the efforts that had been made to achieve this, I have a summary, covering the highlights of the representations and negotiations carried out over a period of two and a half years following world war II between the Canadian and British governments to secure veterans status for civilians in the wartime transport command.

The first step was the presentation of a brief to the first parliamentary committee on veterans affairs on October 29, 1945. Then on November 6, 1955, Joe Weaver and Jack Pierce appeared as witnesses before the committee. Several cabinet ministers, including the then minister of veterans affairs, Mr. Mackenzie, were present. After the meeting several members from all parties congratulated the delegates and said theirs was the finest presentation they had heard before the committee. Now, in 1962, we are able to implement some of the recommendations made at that time.

The group persisted and in February, 1946, they again presented a brief before the interdepartmental committee on veterans affairs, meeting in camera. On March 26, 1946, that committee issued its report reviewing the whole history of ferry command and the position of civilian aircrew in it. This report was very favourable to the civilian members of the ferry command.

On May 14, 1946, the subject was referred to a subcommittee under the chairmanship of Leslie Mutch, a member of parliament at that time. On July 8, 1946, the subcommittee reported to the special committee in the following terms—

> —recommending unanimously the introduction of a bill to provide all the principal benefits and grants to former civilian flying personnel of the R.A.F. ferry command... your subcommittee felt that an organization which had lost 22 per cent of its members dead, and as near as we could discover whose casualties were somewhere between 90 and 100 persons killed, has certainly made a contribution which was comparable to the contribution made by other organizations of a wholly civilian nature which have received benefits under veterans' legislation...

The subcommittee expressed itself strongly in regard to these people. Again, on July 23, 1946 the committee's recommendations were incorporated in the twenty second report to the house, and so the history went. But the civilian members of ferry command have had to wait until now to get this recognition of the service they performed.

I might say that they flew to all places in the world. They flew all sorts of aircraft. I can remember flying across the Atlantic in an aircraft, and in order for it to carry enough gas to reach the other side a tank which filled the entire cabin of the aircraft had to be constructed. Other aircraft flew across the Atlantic with great belly tanks slung underneath. These strange adaptations which had to be made to the aircraft to get them to fighting fronts resulted in the casualties and deaths to which I have been referring.

Mr. Chairman, a number of other hon. members would like to speak in regard to this resolution and, I feel sure, support it. The

Minister of Veterans Affairs, when he was dealing earlier with some of the remarks which had been made by the hon. member for Burin-Burgeo, emphasized—and I think in closing I should repeat it—that with regard to the Newfoundland foresters the progress which is represented by the incorporation of these foresters under this legislation is real progress; it is progress which has been asked for by the foresters since 1949, if my memory serves me correctly. Though its initial annual cost is relatively limited—$60,000—it is estimated that the annual cost will tend to increase and improve in five years after the present amendment is made and will reach a figure of something in the order of $1,200,000. It should be a real benefit to those members of the Newfoundland overseas forestry unit who served and were requested to stay in their units as members of the forestry corps despite their inclinations to become members of the armed forces.

I think the hon. member for Bonavista-Twillingate will agree with the correctness of this statement, that the Newfoundland foresters, though they originally made contracts for six months only, were subsequently required to sign on for the duration and in each contract there was a covenant requiring that the man would not join the armed forces or transfer to them.

Mr. Batten: Mr. Chairman, I welcome this resolution to amend the Civilian War Pensions and Allowances Act. When the minister introduced this resolution on Friday he enumerated seven different classes of people who had served in world war I or world war II and who would come under the legislation to be provided by the bill when it is introduced. In general I endorse the proposal the minister made to this committee and I think we will know more exactly what is to be done when the bill is presented to the house following the adoption of the resolution. I do, however, think it might have been better if these men and women had been recognized under the veterans charter rather than under this particular act.

For a number of years now we have argued in this chamber in favour of benefits for the merchant marine. My hon. friend from Burin-Burgeo last Friday gave a very apt description of the dangers through which they went during world war I and world war II, and indeed one cannot minimize the contribution they made in two world wars nor the extent of the dangers they faced. Undoubtedly their contribution to the war effort played no small part in the final outcome and I believe they are entitled to all the benefits which might accrue to members of any other branch of the services.

In this amendment we have also recognized the Newfoundland foresters. This was a unit formed on November 18, 1939, just a few weeks after the outbreak of war. The final enlistment amounted to 3,680 men. Newfoundlanders enlisted in this particular branch of the services because they were encouraged to do so. Almost a year ago now, on February 7, 1961 when we were discussing the Pension Act I gave a brief history of the Newfoundland foresters unit. At that time I was able to place on the record information which would substantiate the claim that these men were encouraged to join the forestry unit. For the first nine months of the war men who joined this unit were under contract for six months. After the first nine months they were under contract for the duration and were not permitted to join any other branch of the services.

They believed then that they were serving in an area where they could make their best contribution. Also, they were members of a unit in which they had been encouraged to enlist by the then commission government of Newfoundland under instructions from the home office in London. We have now arrived at the position in veterans legislation where Newfoundland foresters of world war I are considered to be veterans; Canadian foresters of world war I are considered to be veterans; Canadian foresters of world war II are considered to be veterans; but Newfoundland foresters of world war II are not considered to be veterans under the veterans charter. Here I think there is a significant difference. However, the amendments to the present act form a real step forward and I hope we are not too far away from the time when Canadian veterans will be considered because of the contribution they made under perilous conditions and not because of any legal technicalities in the legislation.

Mr. MacRae: Mr. Chairman, I should like to enter this debate very briefly. First of all, I think the government in general and the Minister of Veterans Affairs in particular should be especially commended for this particular measure. I am sure that when the history of these parliaments is written Colonel Brooks and the present minister will go down as two of the finest ministers of veterans affairs parliament has ever known.

I was interested to hear the minister's remarks about the merchant marine, the fire fighters and the Newfoundland foresters. The merchant marine rendered most valuable service on all the seas of the world. I do not suppose too many hon. members of the committee know that the hon. member for Saint John-Albert, who is away this day

on business, served in world war II for over five years in practically every ocean as a member of the merchant marine. He served in this force because he was of low medical category, even though he tried many times to enlist in Canada's army.

The minister said he thought there might be only a few hundred survivors left out of the 5,000 who served. I was rather surprised to hear that out of 5,000 men who served between 1940 and 1945 there should only be two or three hundred left at this point. Perhaps the minister will later give a word of explanation about that. The firefighters are another group which especially deserves to be given recognition. These men served in England through much of the heavy bombing. I am interested in this because for a short time I was attached as a Canadian army officer to the firefighting service in Great Britain in the second world war.

I should like to speak briefly about the Newfoundland forestry unit. Over the last two or three years the case of these men has been pressed strongly, especially by the Newfoundland members, who I think should be commended for their zeal. I think that here again the government has shown a high degree of generosity. After all, between 1945 and 1949 the government of the United Kingdom did nothing for these men. Nothing was done in 1949 under the terms of union, either, and I often wonder why that was so. I wish the hon. member for Burin-Burgeo were here; perhaps he could answer that—I am sure he could. Again, nothing was done between 1949 and 1957, and that is significant.

I do take objection to statements which have been made by my good friends the hon. members for Kootenay West and Burin-Burgeo contending there was no distinction between the Canadian forestry corps of world wars I and II, and the Newfoundland foresters. There was the greatest distinction inasmuch as the Canadian forestry corps of world wars I and II were soldiers of the Canadian army and as such were liable for service anywhere in the world. Many were men with several decorations from the first world war. They were members of the Canadian army and as such they could be assigned to service anywhere. As a matter of fact, when 8,000 Canadian foresters in the second world war were stationed in northern Scotland beside the Newfoundland foresters, every month so many of them were requested to transfer to the units in southern England, in Sicily and in Italy. A great many did go, and many became casualties. I do object to the statement that the Newfoundland foresters were not permitted to transfer. Perhaps that is so up to a point, but I know of several cases where foresters in northern Scotland transferred to the Canadian army and then went on to serve in southern England and in different theatres of war. The Canadian forestry corps sent one forestry battalion to France and these men took part in the Ardennes fighting where they sustained a number of casualties. There is a distinct difference between the forestry unit of Newfoundland in the second world war and the Canadian forestry corps. This Conservative government has been extremely generous and I hope the people of Newfoundland, when the time does come, will recognize the generosity of the present Minister of Veterans Affairs and of this government, in this particular measure.

Mr. Badanai: This is one subject which does not require lengthy debate because everyone is in favour of the resolution which will permit the payment of allowances to surviving former members of a number of Canadian organizations who made an outstanding voluntary contribution to the war effort during two world wars.

On previous occasions I have advocated the principle that those who volunteered for service, no matter in what capacity, whether as foresters, firemen or seamen in the merchant marine, should, together with their dependents, be recognized as eligible for pensions under the Veterans Allowance Act. In many cases it was through no fault of these men that they were diverted from service in a theatre of war. Their services were channelled into jobs considered by the government of the day to be in the best interest of the war effort at that time, and for this reason they found themselves in services which did not qualify them for veterans benefits.

Let us consider, for instance, the case of the men who served in the merchant marine. They suffered hardships in the course of their work equal to if not greater than those experienced in any of the combat force units. I am thinking especially of those who were assigned to convoys and ships on the North sea running up through the Arctic circle in waters where their ships were in constant danger of torpedo attack. Then there are the firefighters who volunteered to go to Britain to help hard pressed London during the great blitz and who were in constant danger during the performance of their duty.

The establishing of eligibility for assistance under the act has long been overdue. Nevertheless I congratulate the minister for recognizing the need now; delated though his action may be, it will meet with the approval of the Canadian people.

Those men who served overseas in the forestry units from the lakehead area will appreciate being considered as veterans in every respect. A couple of years ago the Canadian Legion adopted at its convention a resolution which gave these men the privilege of membership in the Canadian Legion as veterans. This applies with equal force to the forestry unit from Newfoundland on whose behalf the hon. members for Humber-St. George's and Burin-Burgeo have made appeals in the past.

Last year and the year before, as a member of the committee on veterans affairs, I was impressed by the several briefs which were presented to the committee by various veterans organizations and more so by the restraint and logic which the delegations showed in their presentations. I wish to congratulate them on their responsibility on behalf of their members.

Canada has reason to be proud of her young men and women who offered their services to their country in times of conflict, endured hardships and faced the horrible consequences of war without asking reasons why. I have always felt that our duty is never to let down those who may now find themselves in need of assistance—an assistance which I do not for one moment consider as charity but, rather, as something which is their just due from a grateful country.

The recognition granted to the second world war overseas welfare workers serving in the Red Cross, the St. John Ambulance brigade, and the Scottish ministry of health, as well as to Canadian civilian crews of the Royal Air Force transport command, merits the support of every member, and I am sure it will also receive the general approval of all Canadians.

In short, this is good legislation and should not be subject to political partisanship.

Mr. Pugh: The last words of the hon. member for Fort William, when he stated that this measure should not be subject to political partisanship are words I heartily agree with. The hon. member for Humber-St. George's, the hon. member for Burin-Burgeo and the hon. member for Fort William himself have all spoken strongly, with a great Liberal tradition behind them which means, in effect: let us not do anything about it until we have to, but if we have to, let us speak in favour of it.

Let me say that this Conservative government in the last five years, in making the veterans charter and in improving pensions and veterans allowances all down the line, has shown a lead which cannot be duplicated in the history of this parliament; it is second to none. The hon. member for Humber-St. George's states that he and his friends have advocated for many years a measure of the kind now under consideration, and the other day the hon. member for Burin-Burgeo stated that for some time he and others in his party—and I cannot help reiterate that it is the Liberal party—had advocated such a move. Advocacy is not enough. It remained for the Conservative party to wrap up veterans legislation, amend it and put it on a sound basis.

Before leaving the contributions made by the hon. members for Burin-Burgeo, Humber-St. George's and Fort William, let me say that in my opinion politics have nothing to do with this important question. Over the years in the standing committee on veterans affairs these hon. gentlemen in no uncertain terms have voiced their opinions. They have advocated the introduction of legislative amendments such as those foreshadowed by the present resolution. To my mind there is no question concerning the sincerity of these hon. gentlemen. For that reason I said politics are not involved. Unfortunately, however, the party to which the hon. gentlemen belong has seen fit to take little action with respect to improvements in veterans legislation. The words they use in advocating these improvements do not mean very much.

In my submission the present Minister of Veterans Affairs and the previous minister, Senator Brooks, deserve much more commendation than they are receiving from hon. gentlemen in the opposition parties in this house. The former and the present minister have done a good job and let us never forget that. Their work on behalf of veterans does not date back only to 1957. My reading of the reports of the standing committee on veterans affairs indicates that these hon. gentlemen speaking on behalf of the Conservative party have long advocated that veterans legislation be improved. The Conservative party has always stood for improved veterans legislation and now that it has assumed power it is losing no time in introducing improvements.

World war II ended in 1946. Between 1946 and 1957, the year in which the Liberal party was defeated, we did not see brought forward improvements to veterans legislation, despite what had been advocated by hon. members of the Liberal party. The Liberal party did not see fit to place on the statute books of Canada amendments to our veterans charter.

An examination of the resolution will indicate that seven categories of persons are covered. I shall not restate them as the minister enlarged on this subject in his address. However, let me make this point.

The legislation foreshadowed by this resolution will, to a great extent, button up veterans legislation. It will indicate that we appreciate the contribution made in the last war by our veterans and all allied personnel.

The recognition now accorded to Canada's merchant seamen is of importance as is that accorded all other categories of persons dealt with. An examination of the reports of the standing committee on veterans affairs over the years will reveal that what is being brought forward by this resolution has been in the minds of hon. members of the Conservative party for many years.

Mr. Granger: Mr. Chairman, I should like to take part briefly in this non-political debate. Before commencing the main body of my remarks I feel I must refer to some of the statements made by the hon. member for York-Sunbury. If I interpreted correctly what the hon. gentlemen said he seems to think the Newfoundland forestry corps is a class beneath the Canadian forestry corps. Certainly he said there is a clear distinction.

In fairness to the Newfoundland foresters I think what they are now about to receive should not be looked upon as something for which they should be grateful, as a form of charity, but as something which they have earned on the basis of their record.

The hon. member also questioned why the Newfoundland foresters were not looked after at the time of confederation under the terms of union. I believe the interests of the Newfoundland foresters would have been cared for at that time had not Colonel Jack Turner, under whose command they were, unfortunately died en route from St. John's to Ottawa to take part in the deliberations of that date.

I particularly wish to associate myself with the remarks of the hon. member for Burin-Burgeo who expressed so well how many of us feel. I do not think I should repeat the points he raised but will content myself with saying I endorse his remarks.

I certainly support this resolution but at the same time regret that it does not go sufficiently far as to accord the status of veterans to Newfoundland foresters under the veterans charter. It does represent a step in the right direction.

The province of Newfoundland has always been interested in the foresters, the merchant marine and others. We from Newfoundland have been doing the best we can to look after their interests and although it is not adequate we welcome this resolution.

Mr. McGrath: Mr. Chairman I should like to add my words to the remarks of the other hon. members on this important resolution. On behalf of my constituents I extend congratulations to the Minister of Veterans Affairs and his staff for their efforts on behalf of the interests of the groups mentioned in the resolution and more particularly for the interest they have shown in the veterans of the Newfoundland overseas forestry unit.

In the last few years in this house we have heard a great deal about the Newfoundland foresters and the splendid contribution made by that unit in world war II. However, at the risk of injecting a partisan note into this amicable discussion I wish to point out to hon. members opposite and especially those who represent Newfoundland constituencies that some of them sat in this chamber for eight years, from 1949 to 1957, without doing anything to correct the great injustice that had been perpetrated upon the veterans of the Newfoundland overseas forestry unit.

The hon. member who just took his seat referred to the fact that this important group of men were omitted from consideration under the terms of the union between Newfoundland and Canada in 1949 by virtue of the fact that their spokesman, Colonel Turner, died en route to Ottawa. I am sure the hon. member who was executive assistant to the Minister of Citizenship and Immigration for several years and who during part of that time, I believe, was executive assistant to the then secretary of state, I refer to the former member for Bonavista-Twillingate—is quite conversive with the terms of union and the events leading up to the terms of union and events thereafter. Consequently, it came as a bit of a surprise to me to see the hon. member stand up in this house and say that the members of the Newfoundland overseas forestry unit would have received the consideration they deserved in 1949 were it not for the fact that their chief spokesman had died en route to Ottawa. Where was Mr. Smallwood at that time? Where was the hon. member for Burin-Burgeo at that time? He has been in the house since 1949. He is a great spokesman on veterans affairs. Indeed, where was the architect of the terms of union? I refer to the present hon. member for Bonavista-Twillingate. Where was he at that time?

Mr. Pugh: Out in Manitoba.

An hon. Member: One of the fathers of confederation.

Mr. McGrath: Yes, one of the latter day fathers of confederation. I suggest that there were plenty of spokesmen for the foresters around at the time but that they were too busy trying to get out of here as quickly as they could, to consummate the deed of union before Mackenzie King stepped down as prime minister.

An hon. Member: They got out in 1957.

Mr. McGrath: They were more concerned with that matter than they were with the plight of the Newfoundland forestry unit, the merchant seamen and the other people who have been forgotten throughout the years. For hon. members to stand up in their places during discussion on this resolution and to say that they are sorry the government has not gone far enough, that they are sorry the government has not included the members of the Newfoundland forestry unit under the veterans charter, is something that surprises me. Under the circumstances, bearing in mind their record in all the years during which they did nothing for these people, one would think they would remain quiet in their seats. The other day I was quite surprised by the remarks made by the hon. member for Burin-Burgeo. At the conclusion of his speech he was asked this question by the hon. member for Okanagan Boundary, as found at page 742 of *Hansard*:

> Mr. Pugh: I should like to ask the last speaker a question. When did the foresters of Newfoundland first ask that their case be heard by brief or otherwise, and by the Legion or otherwise?
>
> Mr. Jones: 1949.
>
> Mr. Carter: I do not really know when they first asked. I know that they appeared before the parliamentary committee in 1958.

I am sorry that the hon. member is not here. However, I am sure he did not mean to mislead the house or that he did not do so intentionally. The fact is that representations have been made in behalf of the Newfoundland overseas forestry unit in the years prior to confederation and since confederation. As a matter of fact, representations were made to the government of the day by none other personage than the mentor of the hon. member for Bonavista-Twillingate, namely Mr. Smallwood himself. I have seen on record letters which the premier had written to the then government in Ottawa asking for some form of recognition of this most deserving group of Canadian citizens. Apparently the appeal fell on deaf ears. From 1953 until 1957, the hon. member who has just taken his seat, namely the hon. member for Grand Falls-White Bay-Labrador, and the hon. member for Humber-St. George's seem to forget that seven of the seven Newfoundland seats were held by Liberal members. All of the Newfoundland constituencies supported the then government. In those four years nothing was done about the question of the rights of veterans of the Newfoundland overseas forestry unit. I think it ill behooves these hon. members now at this time to rise in their places and say that this government has not gone far enough. The fact is that we have gone 100 per cent further than they went.

What we have done is a 100 per cent improvement over the total neglect of hon. members opposite. Most of the members of the Newfoundland overseas forestry unit reside in the constituencies of the hon. member for Bonavista-Twillingate, the hon. member for Burin-Burgeo, the hon. member for Humber-St. George's and the hon. member for Grand Falls-White Bay Labrador. They are not many in my constituency. What happened to them during these years? I suggest that these hon. members must have been—

An hon. Member: Asleep at the switch.

Mr. McGrath: —asleep at the switch. That is about the only way in which you can describe the situation.

Mr. Deschatelets: Don't take yourself too seriously.

Mr. McGrath: I just wish to remind hon. members, especially that great spokesman on veterans affairs, the hon. member for Burin-Burgeo, that the people of Newfoundland and more particularly the some 3,000 surviving veterans of the Newfoundland overseas forestry unit and their dependants, will not forget the recognition they have received from this government when the time comes to give expression to their views, and will not forget the neglect they suffered at the hands of hon. members opposite. On their behalf I should like to say to the minister that he ought not to be disheartened by the cries from the benches across the floor and should know that the 3,000 surviving members of the Newfoundland overseas forestry unit are satisfied that they have received their just deserts.

Mr. Broome: I intend to be my usual brief self, Mr. Chairman, and I will take only about three minutes.

Some hon. Members: Withdraw.

Mr. Broome: I think the Minister of Veterans Affairs deserves the greatest of credit for the measures he has brought in and which are now on the order paper, and for those which have been passed in previous sessions of this parliament. I should like to congratulate the parliamentary secretary on his interesting talk on the R.A.F. ferry command. Coming as I do from a coastal city my interest naturally has been in the merchant marine. I have been looking back over *Hansard* of the previous years; and if I were to quote all of the things I have said about the merchant marine I would take a bit more than the three minutes I have allowed myself. However, I will quote from *Hansard* of February 7, 1961, page 1825, during discussion of the Pension Act, another measure

put through by the minister at that time increasing pensions by some 20 per cent. At that time I stated as follows:

> Coming from a coastal city I am keenly interested in this group.
>
> Meaning the merchant seamen.
>
> Knowing that the merchant navy suffered over 25 per cent casualties and that the provisions in the Civilian War Pensions and Allowances Act are very limited in scope it seems to me our merchant seamen deserve better treatment.

They are now getting better treatment, Mr. Chairman, and with them are these other forces of which we have heard so much from our friends from Newfoundland, namely the firefighters and the other groups named in the resolution. I am a member of the standing committee on veterans affairs. We have met with these people at every session. We have listened to them and I have been impressed by the arguments they have put forward. I believe that the right way to deal with the matter is under this legislation and not under the veterans charter. I am sure this is quite satisfactory to these groups, and it also maintains the difference between those who were in uniform and those who were not. These people did a job and in many cases, particularly the ferry command and the merchant navy, their casualties were higher than in any sector of the armed services. In fact, I believe the merchant navy was called the fourth fighting arm and was decorated by His Majesty King George V. The merchant seamen have long been a forgotten group and now their legitimate demands have been met.

The fact is, Mr. Chairman, and I am speaking in a wholly non-political and unbiased way, that the government has been so busy correcting all the things that were left undone with regard to the services that each session we have been occupied with various amendments and modifications of the veterans charter which were needed because of increased living costs and so on, and I think the minister can now sit back with satisfaction knowing that we have covered fairly all of those people who have come before the veterans affairs committee and who are entitled to the consideration that is now being given them by this house.

Mr. McCleave: Mr. Chairman, I will say what I have to say in two minutes rather than four. If ever a group deserved social justice and has received it, it certainly is the group that is being assisted by the legislation introduced by the Minister of Veterans Affairs. However I think Oliver Twist tactics are sometimes called for, and I should like to present a little problem to the minister that I hope he will be able to solve in order to make the spirit and the purpose of this legislation complete. I refer to the fact that the people who are being helped under this resolution do not, as I understand the situation, receive credits under the civil service pension act or the services pension act. In the case of the Canadian firefighters, I believe that there would be 10 to 20 people involved who should but do not receive credits under the civil service pension act or the services pension act. I am sorry I do not have the figures for the other groups, but I hope that the minister and the government will take this into account and really put these people on a footing with the three services.

Mr. Granger: Mr. Chairman, I should like to speak once again for a moment in order to comment on the frankly political speech made by the hon. member for St. John's East. I should like to refer particularly to his last sentence in which he expressed complete satisfaction with what the government has done. May I point out to him that it has taken him five years to get this action by the government and then only on the eve of an election.

(Translation):

Mr. Parizeau: Mr. Chairman, I should like to join all those who preceded me in commending the Minister of Veterans Affairs (Mr. Churchill), as well as the government, for having today submitted to us this legislation in favour of civilians who served during the last war, and more particularly in the merchant marine, the transport command and the long forgotten Newfoundland forestry unit.

We just heard opposition members say that such good legislation should not be subject to political partisanship. As some of my colleagues pointed out, veterans and members of those other groups mentioned were entirely forgotten by the Liberal party from 1949 to 1957.

No doubt, they would now like to take credit for this legislation while making no end of promises and stating on the hustings, as the hon. member for Laurier (Mr. Chevrier) did in Vaudreuil-Soulanges last Sunday night, that they are the ones who suggested to this government the measures we are now discussing.

Now, Mr. Chairman, I shall not detain the committee any longer. The matter has been well covered. I simply wanted to make those few remarks and, more particularly, to thank the minister and the government on behalf of all those from Quebec who served in the merchant navy and in the transport command during the last war.

(Text):

Mr. Hellyer: Just before the resolution carries, Mr. Chairman, I should like to say

that I think many of the people who served in the various organizations covered by this legislation will welcome the proposal now being put forward by the government. Some of us have supported from time to time some of the organizations in their efforts, and personally I think it is a matter of regret that they were not recognized much sooner than they have been.

I should like to say a word or two about one of these organizations in particular. I refer to the professional firefighters who served overseas. I believe these men were led to believe that they would be treated in the same way as other persons who served in the armed forces of Canada. Throughout the years they have maintained that they were given some sort of undertaking by General LaFleche and that this undertaking was never fulfilled. They have asked specifically that they be considered as veterans with consequent entitlement to the benefits of the veterans charter and that they be given the right to wear the Canadian volunteer service medal. I think they will appreciate the present bill but will feel that it falls short of what they believe would be justice in their case.

I know the difficulty that the government has in this measure in trying to reconcile the claims of all these organizations, but I think that further consideration might perhaps be given to the firefighters who operated in many cases in danger areas, who did all of the things they were required to do as they would have done had they actually been members of the armed forces, and who feel they have a just grievance. I know that half a loaf is better than none, but I hope that the government will give further consideration to the requests they have received from this and other organizations.

Mr. Fisher: Mr. Chairman, this is such a lovely resolution that I thought I would be sorry if our party only supported it with one voice, that of the hon. member for Kootenay West. I am rather disturbed to find that it may have an influence in Newfoundland that will conjure up some ill effects for the hon. member for Bonavista-Twillingate. I am sure this House of Commons would be very dull without him. I do not know how we would know what days the Prime Minister was in his office and so on.

In the main I think the resolution is one of which the minister can be proud and if, as has been rumoured, he is off to the Senate, I hope he will go with measures such as plus his famous Churchill thesis, so as to leave behind his fame on the House of Commons political scene.

The general part of this legislation as it fits into the larger picture that is complimentary to the government can be seen in my mind in the attack that is being marshalled at the present time by certain organizations in the country against the extension of social welfare benefits.

It is being marshalled on a very broad front. Any of the members who have been watching the papers will know that the Canadian chamber of commerce has presented its usual pre-budget brief to the Minister of Finance and Minister of National Revenue and the reports have been headed "Chamber deplores new welfare plan, deficits big enough, chamber raps more social security." I like to feel I am not being facetious or cynical when I say I compliment the government in this particular case, upon a program that is not paying any particular attention to what I can only think is the anachronistic voice of industry that is out of time and place with the march of events. This legislation that we approve of fits in with the other pieces that we approved last week. To me it seems a very worthwhile extension and we are happy to support it.

On a practical note, I gather from some of the hon. members that they look forward to this bill having some political influence, but I know two people, one a former fireman who was in the London blitz, the other a merchant seaman for some years; for whom this act will have little political influence. One is my landlord, the other is a reporter on my hometown paper of whom I am very fond. They are already such loyal Conservatives that this bill will have absolutely no effect on their allegiance.

Mr. Jones: Before the resolution carries, I should like to deal with one or two questions. The hon. member for York-Sunbury in his very able remarks raised a question regarding the number involved in the Canadian merchant marine. The figure in connection with the world war I group in the Canadian merchant marine and the group who served in the merchant services of the allies at that time, is around 5,000. The average age of the surviving seamen in this group is thought to be over 80 years. There are now only about 200 potential beneficiaries for allowances, including widows and orphan children of these seamen. Of these perhaps a total of 100 could qualify.

However, in regard to the world war II Canadian merchant marine and the group of Canadians who served with the Canadian allies on certified non-Canadian ships, the situation is a little different. It is estimated there are about 20,000 survivors of these groups, including the widows and orphan children of deceased members, and about 4,000 would now qualify for allow-

ances. But, as the age group of the second world war members of the merchant marine is quite a bit lower, they would not be expected to reach their peak in potential demands on this particular provision at this time.

In regard to the remarks of the hon. member for Port Arthur, I shall satisfy myself with the comment that as the election draws nigh the thoughts of that particular member seem to dwell ever more lovingly on a Senate seat. I do not know whether he will be satisfied in that regard over the years, but I think I can speak for all hon. members in this house when I say we hope the present Minister of Veterans Affairs will remain for years in the position he occupies. He has been a magnificent minister.

Some hon. Members: Hear, hear.

Mr. Jones: As I judge the feeling of the house is that it would like to move on to the next item dealing with the children of world war dead, I shall now conclude my remarks.

Resolution reported and concurred in.

Mr. Churchill thereupon moved for leave to introduce Bill No. C-64, to amend the Civilian War Pensions and Allowances Act.

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: When shall the said bill be read a second time?

Mr. Pickersgill: Next sitting of the house.

Mr. Deputy Speaker: Next sitting of the house. Agreed.

CHILDREN OF WAR DEAD ACT

AMENDMENTS PROVIDING FOR EXTENSION OF BENEFITS

Hon. Gordon Churchill (Minister of Veterans Affairs) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Children of War Dead (Education Assistance) Act to clarify the definition of "student"; to extend the benefits under the act to certain classes of children; to extend in certain cases the education-assistance period; to extend in the case of particular students the age limit at which all benefits will cease; to accept a student for assistance under the act where his education has been interrupted by ill health or other good cause; and to increase the rate of allowances.

Motion agreed to and the house went into committee, Mr. Martineau in the chair.

Mr. Churchill: This resolution, Mr. Chairman, deals with another important act in the veterans charter. This particular act has been in effect since July 1, 1953. It was intended to provide opportunities for advanced education to a child of a member of the forces who lost his life while on service during world war II, or afterwards from a cause deemed to be related to his wartime service, or directly attributable to subsequent peacetime service. The children of those who died during the campaign in Korea, or as a result thereof, are also eligible. It was hoped that by this means children would be able to enjoy the academic advantages which their fathers would have endeavoured to give them had they lived.

When the original studies were made it was anticipated that perhaps 1,100 to 1,200 students in all would obtain benefits consisting of allowances payable during the academic year and the payment of annual fees up to a maximum of $500 a year.

The number of children assisted under the act has greatly exceeded the original estimate. Up to December 31 last, 2,541 applications have been approved. Of these students, 694 have completed their courses and 962 are now in training. The most popular university courses have proven to be arts and science, in which 358 students have completed their courses or are still in attendance, and in the field of education, where 309 students have graduated or are now pursuing a course. Large numbers have also enrolled for courses in engineering and applied science, and in commerce and business administration. Numbers of others are in such courses as medicine, theology, social work and agriculture. Over 350 have either completed their courses or are in training in the field of nursing.

This act has thus proven to be a most useful piece of veterans legislation, both for the families it was intended to help and for the country.

The present amendments proposed in the bill are primarily intended to give effect to the government's wish to provide assistance on the basis of the increased expenditures which are now required and to enable to completion of courses which are now cut short because of the limits at present imposed on maximum age and length of period of assistance.

The rate of allowances payable has been in the nature of a supplement to the pension a child receives because of the parent's death. The original allowance was $25 a month during each academic year. In September, 1958 the act was amended to increase the allowance to $60 a month to an entitled student over age 21 where his pension had ceased at that age, thus providing a continuing total income comparable to that received during the period pension was payable. It is only proper that, following the pension increases of last year, the allowances should be amended to keep pace. While a child is in receipt of a pension an additional monthly allowance of $25 is payable during the academic year. When the pension ceases, however, the additional monthly allowance now provided, $35,

means that the total monthly income of the child is reduced from $79 to $60. It is now proposed to increase the allowance under this act so that when pension ceases the total income during the academic year is not affected. The annual total cost of this amendment is estimated at $71,000.

At present the act provides for a maximum period of assistance of 36 months or four academic years, and further that assistance may not be granted beyond the academic year in which the student attains age 25. A number of cases have come to attention in which a meritorious student has embarked upon a sound educational program requiring university training exceeding four years, such as a course in law or medicine. It does not seem right that such a student should be cut off from assistance while he is only part way through his course and shows promise of being able scholastically to complete it with distinction. It is therefore proposed that the minister have discretion to authorize the extension of the period during which assistance may be granted so that such a student may continue to receive assistance until the completion of an approved course of study which will lead to a definite goal.

There have also been a number of instances in which, through a combination of circumstances, students have been unable to commence their courses, usually for health or economic reasons, by age 21, as at present is generally required. It is therefore proposed, where circumstances warrant, to permit such a student to be enrolled under this act.

Where a student has been delayed in commencing or continuing this higher education it is further proposed to permit him to receive assistance, where these special circumstances and his progress warrant, up to the end of the academic year in which he attains age 30. It is evident that such exceptions to the general principle have considerable merit, as they will enable both the student and this country to benefit to the full from the career for which he is preparing.

There are two or three clarifications proposed in the section of the act defining a student in order to enable assistance to be granted to a number who seem to fall within the original intention of the legislation but through technicalities in the present definition are excluded. These are comparatively small groups who are deprived of benefits because of early marriage or the death of the parent after his married child became 21 years of age. There are one or two other amendments of an administrative nature needed to clarify and simplify the definition of student and the arrangement of the schedule.

That, Mr. Chairman, is an outline of what is intended in the bill which will follow this resolution. It is obvious from the figures I have given that the Children of War Dead (Education Assistance) Act has been very successful. I think that parliament and former members of the House of Commons who were responsible for this measure may feel quite pleased that 2,500 orphan children have been assisted through this particular act, which has provided the means for them to pursue higher education which would not normally have been available to them.

When one considers the various courses through which they have been passing, and the fact that they do not receive their allowances unless they prove they are capable of continuing the courses, hon. members will appreciate that this has been a very useful piece of legislation, and it is only fitting that orphan children of those who have lost their lives in the defence of our country should receive this type of help. It is only the type of help which, had their fathers lived, they perhaps would have obtained through parental resources, but handicapped by the loss of a parent they then become wards of the state in this connection and I think it is highly creditable to Canada that this provision has been made for these children.

(Translation):

Mr. Roberge: Mr. Chairman, I listened attentively to the preliminary remarks just made by the Minister of Veterans Affairs (Mr. Churchill), concerning this resolution which appears on the order paper of this day:

> That it is expedient to introduce a measure to amend the Children of War Dead (Education Assistance) Act to clarify the definition of "student"; to extend the benefits under the act to certain classes of children; to extend in certain cases the education-assistance period; etc.

The figures given by the minister show well enough how important this legislation was when its sponsors introduced it in this house in 1953.

I noticed that, in the course of his observations, the minister did not make any comments of a political nature. I shall follow his example, because I feel that a measure concerning veterans should be dealt with impartially, and that is what I intend to do.

From what the minister has told us, I understand that the two main bodies of amendments will result in larger assistance for the children of deceased war veterans and pensioners and in a certain extension of the period of assistance to education, especially in the case of those who are completing or have not completed their education at the time they reach the age limit set by this act.

Of course, we reserve the opportunity to discuss the bill in detail on second reading,

after which I suppose this bill will be sent to the standing committee on veterans' affairs. At that time, we shall be more familiar with the provisions of the bill. Its principle seems to be good and we are happy to support it.

(Text):

Mr. Herridge: Mr. Chairman, the chamber is so quiet and apparently in such agreement tonight compared with our proceedings a few nights ago, that one would be under the impression that we are attending a Quaker meeting.

Mr. Fisher: Then the Minister of Public Works had the inner light.

Mr. Herridge: However, the reason for this spirit of unanimity and obvious agreement with respect to this resolution is that its particular purpose is to amend the Children of War Dead (Education Assistance) Act, which has been of such benefit to some 2,500 orphans of veterans who lost their lives in the service of this country. The introduction of this legislation originally must be credited to the former government who listened to representations throughout the years from the Canadian Legion, the National Council of Veterans and a few other groups. There is one thing I want to bring to the attention of this committee in connection with this legislation and it is that from my own personal knowledge as a member of the Royal Canadian Legion it was the teachers who, in particular, brought the necessity for this type of legislation to the attention of the branches. They had knowledge of certain orphans among their pupils who would benefit from such assistance, but who were unable to continue their education because of the financial circumstances which existed at that time.

We were very pleased to listen to what the minister had to say, though his remarks were somewhat technical and I think we would have to read them before being able to digest fully the import of the amendments he proposes. Perhaps we shall have something more to say on second reading. However, to the best of my hearing I did understand the hon. gentleman to say that in the first instance there was to be an amendment to provide for an increase in the allowance which would prevent a reduction of income in certain circumstances. Second, there was to be an extension of assistance under the authority of the minister to meet certain particular circumstances. Third, I understood the minister to say, an amendment would be introduced to permit assistance to students until the academic year when a pupil becomes 30 years of age. Fourth, I understood him to say there was to be some clarification of the present provisions to remove some ambiguities which affect certain small groups. Lastly, I understood him to say there would be certain amendments relating entirely to the improvement of administration.

I am sure that once again we are all in agreement with these proposals to improve this act as a result of experience. There is no question about it—it is the experience of administration throughout the years which has resulted in certain difficulties being brought to the attention of the veterans association in the first instance and, finally, to the government which has then recognized the need for amendments to be introduced. Once again this group is pleased to note that the government has responded to these representations and recognizes the need for the amendments which will be set out in the bill shortly to be before us.

Mr. Jones: I think from the tone of the remarks made by the hon. member for Megantic and the hon. member for Kootenay West that the committee is in general agreement that the most useful part of our discussion on this measure might take place when the bill itself is before the house. The amendments are of a somewhat technical nature and perhaps this course would commend itself to hon. members; we might pass this resolution and move forward to the next item which concerns the War Service Grants Act.

Resolution reported and concurred in.

Mr. Churchill thereupon moved for leave to introduce Bill No. C-65 to amend the Children of War Dead (Education Assistance) Act.

Motion agreed to and bill read the first time.

WAR SERVICE GRANTS ACT

AMENDMENT TO EXTEND TIME FOR RE-ESTABLISHMENT CREDIT

Hon. Gordon Churchill (Minister of Veterans Affairs) moved the second reading of Bill No. C-36 to amend the War Service Grants Act.

He said: The purpose of this bill and the following one which we are to consider, and the bill which I hope to bring in very soon dealing with the Veterans Land Act, is to extend the date of the termination of these acts until 1968.

This one in particular, the War Service Grants Act, was passed during the session of 1944-45 for the purpose of providing veterans and certain dependants with war service gratuities and re-establishment credits. The amounts were based on the length of service and depended on whether service was

in this country or outside the western hemisphere. The benefits of the act are also available to those who took part in the campaign in Korea.

Up to December 31, 1961 the gratuities which were paid because of service during world war II amounted to a total of $470,056,000 and the total paid on account of special force service in Korea amounted to $6,695,000. The last annual report of the department, which was tabled the other day, shows that during the fiscal year 1960-61 nearly $10,000 in world war II gratuities were paid and about $900 arising from the action in Korea. The recent experience of the department indicates that there are still a number of veterans both of world war II and Korea who have not yet applied for their gratuities. The present deadline for the receipt of applications for gratuities is September 30 of this year.

Up to December 31, 1961 a total of $309,369,000 world war II re-establishment credits has been paid and $3,704,000 as a result of service in Korea. At that time there were still 65,475 world war II veterans who had not received all of their credit, the outstanding total of which amounted to $10,264,000, an average amount of some $157. There were still 2,098 veterans with service in Korea who had an outstanding amount of credit of some $314,000. The present period during which a world war II veteran may apply for his credit expires on September 30, 1962 while the period available to a veteran of Korea expires in 1968. The department has found that for the nine months ending December 31, 1961 there were 12,478 world war II credits approved for a total of $1,367,000 and during the same period 834 credits payable because of service in Korea were made available for a total of some $67,000. It is thus apparent that unless the period during which credits are available is extended, a great many veterans will not have a suitable opportunity to use their credits wisely or, indeed, will not be able to use them at all.

The major proposal contained in this bill is, therefore, the extension of the period during which application may be made for unpaid war service gratuity and outstanding re-establishment credit.

It is proposed to extend the period in each instance as it relates both to service during world war II or during the campaign in Korea, until October 31, 1968. Such an extended period should give an ample opportunity for the comparatively small number of veterans who have not yet received their war service gratuities to apply for them and provide sufficient time for the much larger group of veterans to decide on the best way in which their remaining credit can be usefully employed.

Another amendment, which is of a technical nature, would allow veterans who have had their re-establishment credits frozen because of an application for benefits under the Veterans Land Act to have one year after the application is withdrawn or their qualification cancelled in which to apply for the use of their credits. At present such a one year period is available only where a contract has been actually made with the director and subsequently terminated. The effect of this amendment will, of course, not be felt until the normal period of availability expires, but will at that time prove to be a most useful provision.

There are also a few administrative amendments, two of which relate to the reservation of re-establishment credit for specific purposes; that is, the payment of premiums on veterans insurance and as a condition of qualification under the Veterans Land Act.

In summing up, Mr. Speaker, the purpose of the bill before the house is to extend the terminal date to October 31, 1968.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I will speak briefly on second reading of this bill after listening to the minister's explanatory remarks.

As one who was a member of the parliamentary committee on veterans affairs in 1945, I think it is interesting to note that after a period of 17 years we are amending an act which has proved most successful. Toward the conclusion of world war II committees of both the federal and provincial governments gave some study and consideration to the rehabilitation of veterans returning from the war. Veterans organizations often discussed this matter in their branches and at provincial and federal conventions and subsequently made representations to the government. I remember clearly the myriad suggestions put forward at that time by organizations and persons who were seriously concerned with the introduction of sound legislation that would work to the advantage of veterans whose welfare was being considered.

I think it must be with some degree of satisfaction that hon. members who were in the house at that time look back to the period over which this act has been in operation. It requires very minor amendments today.

We are pleased the government of that day accepted some of the recommendations put forward by parliamentary committees and advanced by veterans organizations. If I remember correctly the bill was a composite of the large number of suggestions made. I

am sure it is correct to say that the government through this act pioneered an entirely new approach to the question of veterans rehabilitation.

I am glad the act is to be extended to October 31, 1968. On a number of occasions we have advanced the date of application of an act a few years and an amending bill had to be introduced extending it another two or three years. I think it is wise to take one bite of the cherry in dealing with legislation of this type instead of adopting a piecemeal approach.

The extended date will provide ample time for all those coming within the terms of the legislation to secure the benefits to which they are entitled.

When we reach the committee stage we will have questions to ask the minister concerning the meaning of certain phrases, clauses and so on.

Mr. Pickersgill: Mr. Speaker, is it the intention of the minister to refer this bill to the standing committee on veterans affairs?

Mr. Churchill: No, Mr. Speaker. I would prefer to see it carried through the committee of the whole house this evening. As I say, the main purpose is simply the extension of the terminal date.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Martineau in the chair.

On clause 1—*Purposes for and time within which available.*

Mr. Herridge: As a matter of curiosity, Mr. Chairman, would the minister inform the committee what caused the government to come to the conclusion that October 31, 1968 was the appropriate date for the extension of this act?

Mr. Churchill: I thought it would be very useful to leave any further change in this act to my successor.

Mr. Herridge: Would the minister mind explaining exactly what is meant by the reference in subclause (2) to subsection (2) of section 49 of the Royal Canadian Mounted Police Pension Continuation Act?

Mr. Churchill: Mr. Chairman, if the hon. member looks at the opposite page he will find that it used to be called the Royal Canadian Mounted Police act. It has been revised and has a new title.

Clause 1 agreed to.

Clauses 2 to 5 inclusive agreed to.

Title agreed to.

Bill reported.

26207-1—51

Mr. Deputy Speaker: When shall the bill be read a third time, by leave now?

Mr. Pickersgill: Next sitting.

VETERANS INSURANCE ACT

AMENDMENT RESPECTING EXTENSION OF TIME FOR INSURANCE CONTRACTS

Hon. Gordon Churchill (Minister of Veterans Affairs) moved the second reading of Bill No. C-37, to amend the Veterans Insurance Act.

He said: The Veterans Insurance Act became effective in February, 1945. It provides an opportunity to secure life insurance protection with a very low medical standard. It was designed particularly to enable veterans who had lost insurability during world war II to provide an insurance estate.

Insurance is also available to widows of those who died on service during the war. It is also available to merchant seamen who were eligible to receive a special bonus or a war service bonus.

The benefits of the act have been extended to those who saw service in Korea, and their widows.

The original period of eligibility expired three years after discharge from service or the effective date of the act which was February 20, 1945. This period was extended by a further three years and then an additional four years. In 1958 eligibility was reopened for a period expiring on September 30, 1962. From 1955 to 1958 it was available to those with unused re-establishment credit.

Up to December 31, 1961 there were 51,772 applications received for a total amount of $167,971,500. Up to that date there were 49,960 policies issued for a total face amount of $161,052,000. There were 3,045 death claims received for a total amount of $8,523,567. On December 31 there were 30,848 policies in force for a total amount of $96,876,349.

The present proposal is to extend the period of eligibility from September 30, 1962, to October 31, 1968, both for those who became eligible because of service during world war II or during the campaign in Korea.

Applications for this insurance are still coming in at an average of 125 to 130 a month.

This extension will be of particular value to those veterans who have recently assumed family responsibilities or are now becoming able to afford life insurance protection for the members of their families. This extension should provide an opportunity to secure protection for several thousand veterans whose circumstances would not have enabled them to provide it before the present expiry date.

Mr. H. W. Herridge (Kootenay West): I should just like to say once again that this is another sound piece of legislation that was considered in 1945, although at the time the principle of the legislation was opposed by some interests in Canada, and in other cases its soundness was questioned by persons who thought that by applying, shall I say, very low medical standards, some risk would be involved in the legislation. However, once again experience has proved the value of this legislation to a large number of veterans and their dependants in Canada.

As far as this group is concerned, we hope governments in the near future, as a result of the experience with this type of legislation, will make it possible for the population in general to enjoy the advantages of, as Churchill once said, bringing the magic of the law of averages to the rescue of the millions. I just wish to explain that I was not referring to the minister.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Martineau in the chair.

On clause 1.

Mr. Herridge: I should just like to ask the minister whether the reason for deciding on October 31, 1968, as the date for the termination of this extension is the same as the one he gave to the house under the War Service Grants Act.

Mr. Churchill: Yes. The reason is exactly the same.

Mr. Herridge: I simply wish to say this. I am very glad indeed to know that the veterans of Canada will benefit on this occasion from the minister's optimism.

Mr. Pickersgill: I thought he was very pessimistic.

Clause agreed to.

Clause 2 agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the bill be read a third time?

Mr. Pickersgill: Next sitting.

Mr. Deputy Speaker: Next sitting of this house.

Mr. Churchill: Shall we call it ten o'clock, Mr. Speaker?

Mr. Pickersgill: Oh, no; we must not waste any time.

An hon. Member: Ten o'clock.

[Mr. Churchill.]

Mr. Churchill: If you would like to do so, Mr. Speaker, we could carry on with order No. 13 on today's order paper.

ST. LAWRENCE SEAWAY AUTHORITY ACT

AMENDMENT TO INCREASE AUTHORITY TO BORROW

Hon. Leon Balcer (Minister of Transport) moved that house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the St. Lawrence Seaway Authority Act to provide that the authority, with the approval of the governor in council, may from time to time borrow money from Her Majesty or otherwise to an aggregate that shall not at any time exceed $345,000,000 in lieu of $335,000,000 which it is already authorized to borrow by section 13 of the act.

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

Mr. Herridge: In view of the fact that it is two or three minutes to ten o'clock, I suggest that it is unfair to the minister to ask him to commence his statement at this time.

Mr. Pickersgill: We might have finished it.

Mr. Herridge: Let us call it ten o'clock.

Mr. Pickersgill: Let us hear what the minister has to say.

Motion agreed to and the house went into committee, Mr. Martineau in the chair.

The Chairman: Shall the resolution carry?

Some hon. Members: Carried.

Mr. Pickersgill: Will the minister make a statement?

Some hon. Members: Carried.

Resolution reported and concurred in.

Mr. Balcer thereupon moved for leave to introduce Bill No. C-66, to amend the St. Lawrence Seaway Authority Act.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

Mr. Chevrier: May I inquire from the house leader what the business will be for tomorrow and Wednesday?

Mr. Churchill: For tomorrow we will follow this order. Item No. 1 will be the second reading of the bill pertaining to the Whitecourt railway in Alberta. Item No. 2 will be the resolution in the name of the Minister of Transport concerning a proposed railway line between Matane and Ste. Anne des Monts. Item No. 3 will be second reading of the bill to amend the St. Lawrence Seaway Authority Act. Item No. 4 will be second reading of the bill relating to the Civilian War Pensions and

Allowances Act. Item No. 5 will be second reading of the bill relating to the Children of War Dead (Education Assistance) Act. If the house manages to get through all this business tomorrow and wishes to proceed we will take the following items: second reading of Bill No. C-49 in the name of the Minister of Finance, an act to amend the Small Businesses Loans Act; the resolution in the name of the Minister of Finance pertaining to the Farm Improvement Loans Act; the resolution in the name of the Minister of Finance dealing with the Fisheries Improvement Loans Act and the resolution in the name of the Minister of Finance which is No. 11 on the order paper and which deals with the Currency, Mint and Exchange Fund Act.

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

HOUSE OF COMMONS

Tuesday, February 13, 1962

The house met at 2.30 p.m.

LABOUR CONDITIONS

UNEMPLOYMENT—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Hon. Paul Martin (Essex East: I ask leave, Mr. Speaker, to move the adjournment of the house under standing order 26 for the purpose of discussing a definite matter of urgent public importance, namely the alarming increase in unemployment and the decrease in total employment that occurred in Canada between December and January, as reported in today's release issued by the dominion bureau of statistics and the Department of Labour.

Mr. Speaker: The hon. member for Essex East has asked leave to move the adjournment of the house under standing order 26 for the purpose of discussing a definite matter of urgent public importance, namely the alarming increase in unemployment and the decrease in total employment that occurred in Canada between December and January, as reported in today's release issued by the dominion bureau of statistics.

The question that has to be decided by the Chair—the only question the Chair has to decide—is the question of the urgency of debate. The importance of this matter to the country or to parliament is not what I have to consider, but rather the opportunities there are to discuss the subject matter and whether this is the type of suddenly arising urgent matter which would warrant an interruption of the ordinary routine of business so that it might be discussed.

If I had serious doubts about the question of urgency I would be glad to hear the hon. member for Essex East and other hon. members, but it seems to me that in line with decisions I have made previously on this general question, particularly at a time when the debate on the address in reply to the speech from the throne had not been concluded, it would be very difficult to make out a case of urgency for any matter of this kind.

I recall that during the last session while the throne speech debate was in progress, reference was made to the question of unemployment. In fact it was the subject of continuous discussion in parliament throughout the whole session. I think as long as unemployment exists in substantial proportions it will be a subject of discussion in this parliament.

In support of what I have said I offer the following citations. The first is from Beauchesne's fourth edition, at page 90, citation 100, paragraph 3:

> "Urgency" within this rule does not apply to the matter itself, but it means "urgency of debate", when the ordinary opportunities provided by the rules of the house do not permit the subject to be brought on early enough and public interest demands that discussion take place immediately.

On page 91 there is reference to the type of discussion for which the rule might be invoked which I think is worth repeating to the house. I begin on page 91 about half way down the page. The quotation refers to a motion to discuss the neglect of the government to take measures for the relief of agricultural depression. This is what is said by the learned author:

> What I think was contemplated, was an occurrence of some sudden emergency, either in home or in foreign affairs. But I do not think it was contemplated—if the house will allow me to state my views—that a question of very wide scope, which would demand legislation to deal with it in any effective manner, should be the subject of discussion on a motion for the adjournment of the house, because, if that was so, we might have repeated motions made by the opposition of the day, not so much in the direction of censuring the government for action which had been taken or not taken, for bringing to notice some grievance demanding instant remedy, as in the direction of wishing to introduce legislation on some particular subject. That is not the purpose of the standing order of 1882, and would, I think, cut at the root of the order."

The only factor which I can see in the hon. member's request which denotes a change of state is that the latest figures of total employment and unemployment are different from those of the preceding period. They suggest a change in trend or proportions the details of which have not been mentioned by the hon. member. But accepting that there is a substantial change as indicated by the figures, then it seems to me the whole subject is one which has already been discussed this session in part in some of the debates, and for which there will be opportunity for discussion as soon as the throne speech debate is resumed.

Therefore my disposition is to rule out this motion as not being within the rule, basically on the ground that the test of urgency of debate has not been satisfied but aso on the

ground which I stated previously, that relating to the breadth and character of the problem.

Mr. Martin (Essex East): Mr. Speaker—

Some hon. Members: Order.

Mr. Martin (Essex East): Mr. Speaker, I should like to speak to the question.

Mr. Speaker: Order. I will give the hon. member an opportunity to indicate, but not at length, whether there is any evident error or citation which I have overlooked, but as the hon. member knows I have indicated fairly strongly the opinion that this is not the type of motion that could succeed.

Mr. Martin (Essex East): Mr. Speaker, I am grateful to Your Honour for the care with which you have approached the motion which I have brought to the attention of the house through Your Honour. The urgency of this matter arises out of the opportunity this house now has or will or will not have to discuss the deterioration, as Your Honour has mentioned, in the unemployment situation. This morning we received a Canadian public release—

Some hon. Members: Order.

Mr. Speaker: I think the protests I hear in the house are well taken. The point that is under consideration is urgency. If the hon. member has any citations which may lead me to change my view, I shall be glad to have them. However, I think the subject matter should not be discussed.

Mr. Martin (Essex East): I am about to do that, Your Honour. I was stating that I rose because of the release made this morning showing an increase in unemployment—

Some hon. Members: Order.

Mr. Martin (Essex East): —and I am asking Your Honour to grant me leave to move the adjournment of the house to discuss this matter. In reply Your Honour has pointed out that, according to Beauchesne, for a motion of this kind there must be an application which in Your Honour's apparent judgment does not attend the present situation. Your Honour referred to Beauchesne's Parliamentary Rules and Forms fourth edition, at page 90 where it is stated as follows:

> "Urgency" within this rule does not apply to the matter itself, but it means "urgency of debate"—

I address myself to that very point. It is because of the urgency of debate that I have now made the motion which is before Your Honour. While I am on that subject I would also call Your Honour's attention to Beauchesne's fourth edition at page 91, where that learned author points out as follows:

> In doubtful cases, the question of urgency and of importance are left for the house to decide, by giving or withholding its support.

My argument for urgency of debate is briefly this. The debate on the address in reply to the speech from the throne was adjourned on January 25. In spite of all our efforts we have not had from the government any indication when that debate will be resumed. Indeed, every indication points to the suggestion that it will not be resumed at this session of parliament.

Mr. Fleming (Eglinton): Nonsense.

Mr. Martin (Essex East): In this case the opportunity is therefore not open to us to debate the disturbing unemployment situation revealed in today's press release. There is on the order paper no item that could come before the house before we conclude the debate on the address which would give us the opportunity to raise the present alarming situation. Have we not had from the government an assurance that we would not deal with the estimates until the debate on the address had been disposed of? That is something that cannot be denied.

The urgency of debate is this, Mr. Speaker. If this request is denied, we shall be denied the opportunity of discussing this new serious factor in the unemployment situation in Canada. The atmosphere is charged with all kinds of suggestions—

Some hon. Members: Order.

Mr. Speaker: Order. I followed the hon. member's point and I am prepared to deal with it. If he has any further point to make on urgency, I shall be glad to hear him.

Mr. Martin (Essex East): Yes, Your Honour; I am about to make the second point.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): Hon. gentlemen do not like this, but it is an extremely important matter. This may be the last opportunity during this parliament to debate this matter in this house. The Prime Minister is the only one who can answer this question. He is the only one who can say whether or not this motion is in accordance with the rules. If he says that we shall be given an opportunity to discuss the matter after the debate on the address, then the situation is otherwise. However, until this situation is clarified, until we know definitely whether or not we are going to have dissolution, we have the right to discuss this new unemployment situation.

Mr. Speaker: The hon. member has indicated that there is no certainty that there will be an opportunity to debate the issue he raises. He also rather indicates that there seems to be some onus on the government to verify that there will be an opportunity to debate the subject. It seems to me that the presumption is that business will proceed in the ordinary course and that, in due course, the throne speech debate will be resumed. This debate will offer an opportunity which the hon. member wishes if no other opportunity arises.

There is the further factor, in addition to the normal presumption that proceedings will take the ordinary course, that there has been an assertion by the government that the committee of ways and means and the committee of supply will not be called again —I am not sure of the extent of the undertaking—for certain necessary purposes until the throne speech debate has been completed. If this matter were one of sudden occurrence which, if it were not debated today or tomorrow, would have material significance, then other considerations would apply. I am satisfied that my first view of this matter was the right view; therefore I cannot put the hon. member's request before the house.

Mr. Pearson: Mr. Speaker—

Mr. Speaker: I think the Leader of the Opposition should perhaps accept the ruling of the Chair as I have given it. I had very little doubt about the position at the beginning but I gave the hon. member for Essex East the opportunity to test my view. I have confirmed my original attitude, and I see no point in allowing the matter to be debated further. I would ask the Leader of the Opposition, therefore, to leave it at that.

TRADE

EUROPEAN COMMON MARKET—CANADIAN PARTICIPATION IN NEGOTIATIONS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Finance based on a news report that at the urging of the Australian government the British government had made a formal request to the European economic community that the Australian representatives take part in common market negotiations which affect Australian trade interests. My question is, has the Canadian government made any request that Canadian representatives take the same part in these negotiations which relate to Canadian trade interests?

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

PAYMENT FOR EXPORTS TO COMMUNIST CHINA

On the orders of the day:

Mr. Romuald Bourque (Outremont-St. Jean): I would like to direct a question to the Minister of Trade and Commerce. Yesterday, in reply to a question placed on the order paper by my colleague from Leeds (Mr. Matheson), the parliamentary secretary reported that total exports from Canada to communist China from January 1 to October 31, 1961, were $114,916,725 as compared to 1960, when they were $8,737,363. Is this correct?

Hon. George H. Hees (Minister of Trade and Commerce): I see no reason for believing it is not correct, Mr. Speaker.

Mr. Bourque: I have a supplementary question. Have we been paid for this material?

Mr. Hees: If the hon. member had been in the house and followed the debate dealing with this matter he would know the answer to the question.

Mr. Chevrier: Better tell us what the debate was.

Mr. Speaker: Order.

URANIUM—INQUIRY AS TO NEGOTIATIONS WITH UNITED KINGDOM

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): May I ask the Minister of Trade and Commerce if he is in a position to make a progress report to the house about the uranium discussions with the United Kingdom.

Hon. George H. Hees (Minister of Trade and Commerce): No further report than I have already made.

Mr. Pearson: Does the minister anticipate that the contract will be signed in the near future?

Mr. Hees: I hope so.

HEALTH AND WELFARE

REQUEST FOR EXTENSION OF MEAT INSPECTION SERVICES

On the orders of the day:

Mr. Walter Pitman (Peterborough): I should like to direct a question to the Minister of National Health and Welfare. In view of newspaper reports that more than 70 slaughter and meat processing plants have asked for inspection, could the minister indicate what steps his department plans in order to accommodate their demand? As he must know, this is of concern to many people.

Inquiries of the Ministry

Hon. J. W. Monteith (Minister of National Health and Welfare): This is a matter for the Department of Agriculture, which provides for the inspection services.

[*Later:*]

Mr. Pitman: In view of the answer given by the Minister of National Health and Welfare to a previous question of mine, I wonder if the parliamentary secretary to the Minister of Agriculture could indicate what steps have been taken to accommodate slaughter and meat processing plants desiring inspection services.

Mr. W. H. Jorgenson (Parliamentary Secretary to the Minister of Agriculture): I think the hon. member will find the answer to his question if he refers to a government bulletin released yesterday dealing with this subject.

(Translation):

FLAGS OF CANADA

INQUIRY AS TO RECEIPT OF MODEL DESIGNS

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to put a question to the Secretary of State. Has he received the two flag designs that the hon. member for Bonavista-Twillingate wants to force upon the Canadian people? If so, what are those designs?

Hon. Noel Dorion (Secretary of State): Mr. Speaker, I have received nothing of the sort yet.

(Text):

FINANCE

INTERNATIONAL MONETARY FUND—CANADIAN POSITION AT WASHINGTON MEETING

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Minister of Finance. In view of the requirement under the international monetary fund agreement, to which Canada is a signatory, that member countries pledge themselves to maintain their currencies at a fixed exchange rate, and in view of the meeting of the fund Friday next at which it is reported the Canadian member will be required to explain our contravention of the agreement, will the minister inform the house what the Canadian position is and what action he is proposing to take to meet the terms of the agreement.

Hon. Donald M. Fleming (Minister of Finance): First I should like to observe that there has been no more loyal member of the international monetary fund than Canada. This country has been a member of the fund since it was established, and has strongly supported the activities of the fund in promoting freedom of payments in support of world trade. We supported the increase several years ago in the resources of the fund, and indeed took down a very substantial subscription in that respect. We have also taken part in the recent movement to enlarge the reserves available to the fund, and certain members of it, on a stand-by basis.

The relationship of the Canadian dollar to the United States dollar is not a new matter by any means. There was an attempt made a decade ago, indeed two separate attempts, to maintain the Canadian dollar at a fixed relationship to the United States dollar, at one time on a 90 cents basis and another time on a 100 cents basis, but these attempts had to be abandoned. There has been no fixed and firm relationship maintained between these two currencies over the past decade, so that the position which has obtained since June 20 last is not a new one in kind at all. It is simply a movement of the Canadian dollar to a discount position in terms of the United States dollar, whereas previously it had been in a premium position in relation to the United States dollar. Under the articles of the fund there has been no change in that respect.

I have already stated in this house that I said at the annual meeting of the governors of the fund at Vienna in September that the policy of the government is taken in the light of the circumstances affecting Canada's balance of payments position, so that it is quite clearly understandable. It is understood, I think, by all members of the fund, that it is not undertaken with a view to doing hurt or harm to the interests of any country in the world.

Mr. Martin (Essex East): That is not what the president of the bank said.

Hon. L. B. Pearson (Leader of the Opposition): Has the minister any comment to make on the criticism of the president of the Royal Bank of Canada of what he calls a manipulation by the Canadian government of the exchange rate?

Mr. Fleming (Eglinton): I think it is evident that the Leader of the Opposition has not read the full statement to which he refers. He has taken a phrase out of it that appears to suit his political purposes. I did not find in the speech of the president of the Royal bank to the shareholders of that institution, at the annual meeting a month ago, criticism of the policy of the government.

Mr. Pearson: Read the speech.

Mr. Fleming (Eglinton): What he was proposing was in effect that the dollar should be allowed to operate freely. Now, this is an

interesting allusion on the part of the Leader of the Opposition in the light of the question that was asked. The question that was asked assumes, I take it, that the hon. member for Kootenay West (Mr. Herridge) is suggesting there should be some fixed relationship established between the two currencies. Now the Leader of the Opposition is quoting someone who says in effect that the dollar should be allowed to operate completely free.

Mr. Speaker: Order. I think the minister will forgive me if I interrupt him to say that the supplementary question and the answer to it are assuming the proportions of a debate, and that they might well be taken up at a time when debate is permitted.

Mr. Fleming (Eglinton): Mr. Speaker, would you permit me to make just one observation. It is about the expression used by the Leader of the Opposition, "a manipulated rate". I had an opportunity of speaking about that one day recently. It is quite misleading to talk about the Canadian rate as a manipulated rate. It is not a manipulated rate, and I refer to the statement I made here last Friday.

Mr. Pearson: Seeing the Minister of Finance has made a long statement in reply to a simple question, may I ask does he deny that the president of the Royal bank used the word "manipulation" in regard to the policy of the present government in this matter?

Mr. Fleming (Eglinton): In the statement of the president he used the words "manipulated rate" in referring to the present arrangement. I take issue with the use of that term, and I take issue with the Leader of the Opposition stating the president of the Royal bank was critical of the government's policy.

Mr. Chevrier: He certainly was.

BUSINESS OF THE HOUSE

REQUEST FOR RESUMPTION OF THRONE SPEECH DEBATE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the house leader and ask him, in view of the reference made by His Honour the Speaker to the practice and procedure in this house, whether he will interrupt the proceedings soon so that we may resume the discussion on the speech from the throne in order to debate the question of unemployment.

Hon. Gordon Churchill (Minister of Veterans Affairs): The business of the house is announced each evening.

FISHERIES

REQUEST FOR REPORT ON FUR SEAL COMMISSION MEETING

On the orders of the day:

Mr. Lucien Cardin (Richelieu-Vercheres): I should like to direct a question to the Minister of Fisheries. Could the minister present a brief report to the house indicating the main conclusions and decisions reached by the north Pacific fur seal commission at its annual meeting held in Ottawa last week?

Hon. J. A. MacLean (Minister of Fisheries): The commission held its annual meeting and reviewed the results of the scientific work done in 1961, and also established its resources program for the coming year. The conclusion was that the herds of fur seals in the Pacific are in good condition and are showing an increase in population. The commission decided to hold its next meeting in Washington in November, 1962. I might add that Mr. Ralph C. Baker, United States commissioner, was elected president for the coming year, and Mr. George R. Clark, deputy minister of fisheries and commissioner for Canada, as vice-chairman.

Mr. Cardin: A supplementary question.

Mr. Speaker: Perhaps the hon. member for Davenport would await his supplementary question.

Mr. Cardin: Could the minister tell the house what were the official languages spoken on that occasion?

Mr. MacLean (Queens): The official languages to be used by the international North Pacific fur seal commission are laid down by the interim convention on this matter signed at Washington on February 9, 1957. The official languages used by the commission are to be Russian, Japanese and English.

LABOUR CONDITIONS

UNEMPLOYMENT—REQUEST FOR COMPARATIVE FIGURES

On the orders of the day:

Mr. M. D. Morton (Davenport): I should like to direct a question to the Minister of Labour. Could the minister give the comparative figures of the number of employed and unemployed persons during the period of January, 1961, and January, 1962?

Mr. Speaker: Order. The hon. member is asking for information readily available to all hon. members who can read.

Hon. Paul Martin (Essex East): May I ask the Minister of Labour whether in view of the release this morning, showing an increase

in unemployment in Canada to an alarming extent, he will give the house the assurance that before dissolution of parliament there will be an opportunity of debating this situation under the labour estimates dealing with winter works, in the supplementary estimates tabled by the Minister of Finance?

Mr. Walker: On a question of order, there was less unemployment in January of this year than in January of last year; 141,000 less.

Mr. Speaker: Order.

Mr. Chevrier: Where is the point of order?

Mr. Crestohl: Are you running interference?

Mr. Speaker: Order.

Mr. Walker: One hundred and forty-one thousand.

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I am somewhat surprised that after seven long months the hon. member for Essex East is now showing an interest in the release of the dominion bureau of statistics unemployment figures. In answering—

Mr. Hees: He is only interested in unemployment.

Mr. Starr: In answering his question, the dominion bureau of statistics release shows—

Mr. Martin (Essex East): Mr. Speaker, on a question of privilege—

Some hon. Members: Sit down.

Mr. Speaker: Order. I will hear the hon. member for Essex East on a point of order.

Mr. Martin (Essex East): I rose on a question of privilege Mr. Speaker. The Minister of Trade and Commerce said that the hon. member for Essex East was only interested in unemployment.

Mr. Hees: Hear, hear; that is right.

Mr. Martin (Essex East): I am not going to ask the hysterical Minister of Trade and Commerce to withdraw that statement but I say to you, Mr. Speaker, that it is contrary to our practices and contrary to the privileges of this house for a minister of the crown, in particular, to make an accusation of this kind.

An hon. Member: Plead guilty.

Mr. Martin (Essex East): The minister and his colleagues can show their sincerity by giving us a chance to debate this subject now.

Mr. Hees: Mr. Speaker, I was only stating what has been obvious in this house for the past four and a half years.

[Mr. Martin (Essex East).]

Some hon. Members: Oh, oh.

Mr. Speaker: Order.

Mr. Hees: That is the truth.

Mr. Speaker: Order. The hon. member who complained is quite justified in complaining if what was said indicated that he desired unemployment. That would be an accusation that should not be made in this house against any hon. member.

Some hon. Members: Hear, hear.

Mr. Speaker: The exact words may not have been that, and the hon. member for Essex East has not asked for a retraction.

Mr. Martin (Essex East): I apologize to the Minister of Labour.

Mr. Hees: I accept your apology.

Mr. Speaker: I give the floor to the Minister of Labour to deal with the question that was originally asked.

Mr. Churchill: What was the question?

Mr. Starr: I should like to answer the hon. member's question in this way, that between December and January unemployment increased—

Mr. Martin (Essex East): Order. That was not the question. My question was a simple one. Is the minister going to give us a chance to debate, or not?

Mr. Hees: You are just proving what I said.

Mr. Speaker: Order. As I recall the question it related to the opportunity of debating the matter and did not call for a statement as to the figures of unemployment. If the minister wishes to revert to motions to make a statement, and the house will give him leave, well and good; otherwise the point of order is well taken and the minister should limit himself to what was asked.

Mr. Browne (Vancouver-Kingsway): On a point of order, Mr. Speaker—

Some hon. Members: Sit down.

Mr. Starr: If I remember correctly, the hon. member for Essex East said that because of the alarming increase in unemployment—

Mr. Martin (Essex East): That was not the question.

Mr. Starr: Mr. Speaker, I think the facts should be set straight so that all hon. members should not be misled by the statements made by the hon. member for Essex East.

Mr. Speaker: If the minister follows that course he will be achieving in effect what I have refused to the hon. member for Essex

East, that is a debate on the question of what these figures mean and what unemployment there is. I may have overlooked that there was an assertion tied up with the question, and if there was I think it is proper that the assertion should be met in the answer. Would the hon. member for Essex East ask his question again?

Some hon. Members: Oh, oh.

Mr. Fleming (Eglinton): On a point of order, Mr. Speaker, sitting here I heard the hon. member for Essex East preface his question by saying—

Mr. Pickersgill: Who is this Speaker?

Mr. Fleming (Eglinton): —"in view of the alarming increase in unemployment".

Mr. Pickersgill: A new Speaker.

Mr. Fleming (Eglinton): If he had chosen to ask a question without that elaboration of misstatement I should have thought the point of order was well taken, but when he has chosen to make that kind of statement as a preface to his question, I think, with great respect, the minister is entitled to deal with the statement as well as the question.

Mr. Pickersgill: Mr. Speaker, I should like to speak to the point of order raised by the Minister of Finance. I submit, in reply to his point of order, that the Minister of Finance—

An hon. Member: How many flags?

Mr. Pickersgill: —should be content with dominating the cabinet and should not try to dominate the house.

Mr. Pigeon: Two flags.

Mr. Speaker: Order. Before disposing of the point of order perhaps I may ask the hon. member for Essex East whether or not his question was prefaced by the assertion that has been alleged.

Mr. Martin (Essex East): Mr. Speaker, before dealing with your—

Some hon. Members: Oh, oh.

Some hon. Members: Sit down.

Mr. Martin (Essex East): Hon. gentlemen do not want to assist Your Honour, and of course we do. I simply want to say this. I have no objection to the minister making a statement, but let it be understood that if he does, I of course will not be denied the opportunity of replying.

Mr. Fleming (Eglinton): You have already made a statement, and a misstatement too.

Mr. Martin (Essex East): I am not going to prevent the minister making a statement, because it is an alarming situation.

Mr. Speaker: Order. Having got that far—I am not sure how far we have got—perhaps the Minister of Labour would now do his best to answer the question in the terms in which it was asked.

Mr. Starr: Mr. Speaker, I assure the house that I shall be very brief indeed. The dominion bureau of statistics release shows in part that the rise in unemployment was smaller than in comparable periods in recent years. Between December and January unemployment increased by—

Mr. Martin (Essex East): On a point of order, Mr. Speaker—

Mr. Speaker: Order. I think the minister has now said as much as was asked in the question. If he wishes to answer the other part about debate on this subject, perhaps we could then pass to some other business.

Mr. Starr: Mr. Speaker, the other part can more properly be addressed to the house leader.

Mr. Hellyer: He would not know the answer.

Mr. Martin (Essex East): Mr. Speaker, may I ask the house leader if, before dissolution of this parliament in the year of our Lord 1962, an opportunity will be given on the supplementary estimates of the Department of Labour or the winter works program item to debate the alarming unemployment situation revealed by the government this morning?

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Speaker, there is no alarming situation with regard to the question of unemployment.

Mr. Benidickson: Oh, complacency yet.

Some hon. Members: Oh, oh.

Mr. Churchill: The January employment level was 161,000 or 2.8 per cent higher than a year earlier, and 3 per cent higher than in January, 1960.

Mr. Pickersgill: And 200,000 less than a month ago.

Mr. Churchill: I should really answer the hon. member's question with regard to the dissolution of parliament, since he is showing such excessive nervousness. I am alarmed—

Mr. Pearson: Excessive zeal.

Mr. Churchill: Perhaps the hon. member wants dissolution.

Inquiries of the Ministry

Mr. Martin (Essex East): I certainly do.

Mr. Fleming (Eglinton): Careful, Paul.

Mr. Speaker: Order. The minister does not seem disposed to answer the question, and I shall call the orders of the day unless there is some more serious question to answer.

Mr. Martin (Essex East): On a point of order, Mr. Speaker—

Mr. Speaker: Orders of the day.

COMMONWEALTH RELATIONS

SOUTH AFRICA—REQUEST FOR RE-EXAMINATION OF CANADIAN ATTITUDE

On the orders of the day:

Mr. John R. Matheson (Leeds): Mr. Speaker, may I direct a question to the Prime Minister. In the light of Mr. Iain Macleod's statement that "the 'expulsion' of South Africa from the commonwealth was a mistake", as reported in the *Times* of London of February 10, 1962, is this government prepared to re-examine its attitude to South Africa and give leadership to her return to the commonwealth family?

Mr. Speaker: Order. Before the hon. member's question is dealt with, I wonder how he would support it as being a matter of recent and urgent importance. He is asking for an opinion on a matter of policy, and a session has intervened since the events upon which the question is founded.

POST OFFICE DEPARTMENT

SECOND CLASS MAIL—PROPOSED SHARING OF REVENUE

On the orders of the day:

Mr. Azellus Denis (St. Denis): May I direct a question to the Postmaster General. I am told that a convention of the universal postal union will take place this year. If it is held during the term of office of this government, in view of the fact that Canada, the United States and other countries retain the entire postage rate on second class mail crossing their borders, will the Postmaster General consider the advisability of adopting at that convention a system whereby co-operating postal departments would be compensated for the weight handled and the mileage traversed in connection with such second class mail?

Hon. W. M. Hamilton (Postmaster General): That is one of the subjects which will be discussed at this meeting and we shall, at that time, express our views on it.

[Mr. Churchill.]

NATIONAL DEFENCE

EXPRESSIONS OF OPINION BY SENIOR OFFICERS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I have a question to ask about the Department of National Defence. Perhaps it would be uniquely appropriate if the associate minister were to answer. Can the minister inform the house what is the stand of the Department of National Defence about views publicly expressed by senior officers which are critical of other departments and agencies of government? My question is occasioned specifically by the widely publicized remarks made on Sunday last by a senior naval chaplain with regard to the Canadian Broadcasting Corporation.

Hon. Pierre Sevigny (Associate Minister of National Defence): I have not been made aware of the matter to which the hon. member refers. I shall take the question as notice, make inquiries, and report on the same.

PUBLIC WORKS

FARNHAM, QUE.—RECONSTRUCTION OF MILITARY HEADQUARTERS

On the orders of the day:

Hon. Pierre Sevigny (Associate Minister of National Defence): May I take this opportunity to answer a question which was addressed to me yesterday by the hon. member for Laurier. The question referred to a contract for engineering work at Farnham, Quebec, which had been awarded to a firm outside the province.

As a result of inquiries it is presumed that the hon. member was referring to work in relation to a drill hall at Camp Farnham which was damaged by fire on November 20, 1961.

A contract was awarded by the Department of Defence Production to the firm of Morrison Hershfield Millman and Huggins of Toronto for the preparation of a report on the repairs that would be required to the fire-damaged building. The Toronto firm was engaged since that firm was the original designer of a special wire reinforcing technique for the strengthening of wooden trusses. This technique was developed following the second world war and had been employed to strengthen the trusses in the drill hall at Farnham in 1948. The contract was for an amount of $1,500.

PUBLIC SERVICE

INQUIRY AS TO APPOINTMENT OF UNDER SECRETARY OF STATE

On the orders of the day:

Hon. Lionel Chevrier (Laurier): May I direct a question to the Prime Minister, and ask if

he is now in a position to make an announcement concerning an appointment to fill the position of under secretary of state, which has been vacant for more than six months.

Right Hon. J. G. Diefenbaker (Prime Minister): When I am in a position to do that, the house will be advised.

EXTERNAL AFFAIRS

CUBA—REPRESENTATIONS RESPECTING UNION LEADERS SENTENCED TO DEATH

On the orders of the day:

Hon. Paul Martin (Essex East): May I ask the Secretary of State for External Affairs whether he or any of his officials have received any representations on behalf of Reinol Gonzales, president of the young Christian workers of Cuba and prominent trade union leader, and other trade union leaders who are said to be under sentence of execution in Cuba this week?

Hon. Howard C. Green (Secretary of State for External Affairs): We have received representations concerning Mr. Gonzales and we are doing what we can to help in the situation. Unfortunately we are handicapped by the fact that this man is not a Canadian citizen.

MANITOBA

NEW SITE FOR TOWN OF CHURCHILL

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): I should like to ask the Minister of Transport whether his department or any department of the government is, to his knowledge, giving any consideration to a new site for the town of Churchill, Manitoba.

Hon. Leon Balcer (Minister of Transport): I know that the matter has been under consideration. I will give an answer to the hon. member later on.

(Translation):

HOUSE OF COMMONS

INQUIRY AS TO NICOLET-YAMASKA BY-ELECTION

On the orders of the day:

Mr. Azellus Denis (St. Denis): Mr. Speaker, I should like to direct a question to the Secretary of State. Is it the minister's intention to announce a by-election shortly in the riding of Nicolet-Yamaska?

Inquiries of the Ministry

INQUIRIES FOR RETURNS

Hon. Noel Dorion (Secretary of State): Mr. Speaker, yesterday the hon. member for Gloucester (Mr. Robichaud) asked when would be tabled certain documents following the adoption of Motion No. 159 of September 13, 1961. I wish to table this reply today.

(Text):

Following the inquiry of the hon. member for Gloucester, the hon. member for Bonavista-Twillingate asked me to check up at the same time on all the outstanding returns from the previous session, and in particular the one which was passed on November 30, 1960, asking for the travel expenses of ministers.

Mr. Speaker, the words "all the outstanding returns from the previous session" might be said to imply that there is quite a volume of them. There are, in fact, less than half a dozen, and the one about which the hon. member inquired is not among them. There were two returns, not one, passed on November 30, 1960, relating to travel expenses of cabinet ministers. If the hon. member will consult the appropriate *Votes and Proceedings*, in which my action is properly recorded, he will see that the information pertaining to one of them, arising out of a question put by the hon. member for Skeena, was presented in May, 1961, and that pertaining to the other, arising out of a question put by the hon. member for Okanagan Boundary, in September, 1961.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Could the minister say whether it would be possible to expedite the return asking for the communications between the Dominion Steel and Coal Company and the government with respect to the closing of certain coal mines in Nova Scotia?

Mr. Dorion: Surely, Mr. Speaker.

SHIPPING

DUTY FREE ADMISSION OF NETHERLANDS-BUILT TUG TO CANADA

On the orders of the day:

Mr. A. D. McPhillips (Victoria, B.C.): I have a question for the Minister of National Revenue. In his absence I will address it to his parliamentary secretary. What I should like to know is, what is the status of the lobbying which has been going on with regard to the admission of the Netherlands-built tug *Ocean Master* to Canada without payment of the proper customs duty?

Mr. M. J. A. Lambert (Parliamentary Secretary to the Minister of National Revenue): I shall take the question as notice.

Inquiries of the Ministry

WAR SERVICE GRANTS ACT

AMENDMENT TO EXTEND TIME FOR RE-ESTABLISHMENT CREDIT

Hon. Gordon Churchill (Minister of Veterans Affairs) moved the third reading of Bill No. C-36, to amend the War Service Grants Act.

Motion agreed to and bill read the third time and passed.

VETERANS INSURANCE ACT

AMENDMENT RESPECTING EXTENSION OF TIME FOR INSURANCE CONTRACTS

Hon. Gordon Churchill (Minister of Veterans Affairs) moved the third reading of Bill No. C-37, to amend the Veterans Insurance Act.

Motion agreed to and bill read the third time and passed.

CANADIAN NATIONAL RAILWAYS

AUTHORIZATION FOR CONSTRUCTION OF LINE FROM WHITECOURT, ALBERTA

Hon. Leon Balcer (Minister of Transport) moved the second reading of Bill No. C-63, respecting the construction of a line of railway in the province of Alberta by Canadian National Railway Company from Whitecourt, Alberta, in a westerly direction for a distance of approximately 23.2 miles to the property of Pan American Petroleum Corporation.

He said: Mr. Speaker, as the title of the bill indicates, authority is being sought to enable Canadian National Railway Company to build a 23 mile branch line from Whitecourt, Alberta, as an extension of the railway's Sangudo subdivision, which now terminates at that point.

This new branch line would cross the McLeod river at Whitecourt and proceed in a westerly direction, generally following the grade of the Peace river branch, originally proposed to be constructed in 1924 but never finally completed, to the property of Pan American Petroleum Corporation in the Windfall gas field area, where a plant to produce sulphur from natural gas is now being constructed. The cost to construct the railway line is estimated at $2,300,000 or $99,138 per mile.

An agreement has been concluded between the railway company and Texas Gulf Sulphur Company, wherein a guarantee is given that the industry will ship a minimum tonnage of sulphur over the branch line for 25 years, and that appropriate penalties will be paid if at any period during that term shipments fall below the minimum volume agreed to. In addition, the industry has agreed to make a substantial cash contribution toward the cost of construction of the line which, of course, reduces the amount which will need to be provided under the terms of the bill.

The production of sulphur from natural gas in Canada is a relatively new development, and interest in it arises from the fact that the reserves of large producers of elemental sulphur in the southern United States are now showing signs of exhaustion. The present proposal is the result of negotiations between Texas Gulf Sulphur Company and Canadian National Railways respecting transportation service to a sulphur recovery plant in the Windfall gas field area, where the natural gas contains substantial amounts of sulphur. The initial output from this plant is estimated at 237,000 long tons annually. Production is expected to increase to 614,000 long tons per year by 1972, and to continue at about that rate until the gas reserves are exhausted. The life of the field is estimated at around 25 years.

The prospective traffic on the proposed line would consist mainly of sulphur, estimated to amount to a total of 500,000 long tons in the first five years, increasing to an indicated maximum rate of around 400,000 long tons per year. It is expected that the sulphur will move mainly to Vancouver for export. Other traffic would consist of chemicals and other supplies for operation of the sulphur recovery plant, pipe and other materials involved in any new developments in the field, and possibly pulpwood.

As I said when I spoke on the resolution preceding the bill, this project deserves encouragement as one which should improve the net position of the Canadian National and at the same time contribute to the development of the area concerned. I mentioned also the urgency associated with the passage of this legislation, arising out of the fact that the industry has requested rail service not later than March 1, 1963, and that in order to meet this date the railway must construct the piers and abutments of the bridge over the McLeod river near Whitecourt at low water, during the present winter season. Therefore a start must be made on these piers and abutments as soon as possible.

The proposal commends itself as one which will assist in developing markets for these resources of the country, and is sound from an economic standpoint.

In view of the urgency of this project, and because there is every reason to avoid delay which might jeopardize the whole project, I intend to request that this bill be considered by the committee of the whole instead of referring it to the standing committee on

railways, canals and telegraph lines. In view of the fact that Canadian National Railways have made representations to me and several officials of my department concerning the extreme urgency of this project I trust we can proceed with alacrity, but at the same time accord this measure complete study.

Hon. members will have an opportunity to scrutinize the bill in committee of the whole. I feel the passage of this measure will provide a number of jobs for Canadians. I trust the project will not be jeopardized because of delay. The passage of this measure will make a significant contribution to the development of that region of the province of Alberta which has such a promising future.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, there is no change in our position so far as approval of this bill is concerned. I believe the position of the official opposition was made quite clear in the remarks I made yesterday. There are, however, some questions that remain unanswered from yesterday as well as others that arise from the statement the minister has just made.

One of the questions I put to the minister yesterday concerned a comparison of the cost per mile of this railway with that of other railways in the immediate or adjacent area. Apparently the minister overlooked answering that.

The minister has stated that an agreement has been entered into between the Texas Gulf Sulphur Company and Canadian National Railways for a period of 25 years for the movement of a certain amount of sulphur over the line. I do not think the minister has given the house sufficient information to warrant approval in connection with that matter. I asked yesterday for the production of the agreement, and the minister said that could not be done. I then asked for a summary of the terms of the agreement, because I did not think we had received sufficient detail, and today the minister engaged in what was almost a repetition of what was said yesterday. I think the house should know who the Texas Gulf Sulphur Company is. Is it a subsidiary of the Pan American Petroleum Corporation to whose property this railway is being built? I believe the house would be interested in knowing something of the background of this corporation.

Then the minister referred to the prospective traffic for the first five years of 500,000 long tons. Can the minister give some indication of the freight rate at which the movement will take place? Then again it was indicated that most of this sulphur, if not all of it, would be sent to Vancouver for export. Is any of it going to be used for domestic purposes in Canada? Is there a demand for this product for industrial purposes in our own country? Can the minister give some idea of what the other traffic is likely to amount to? He referred to chemicals, pulpwood and other commodities of that kind. What is the percentage of that traffic over the line as compared with the sulphur, which unquestionably is the most important traffic?

Then as to the urgency may I say this. I believe the minister put his case yesterday, as we did also. However, there is one thing I must bring to the attention of the minister, namely the fact that he intends to move that this legislation be referred to the committee of the whole. I must bring to his attention the fact that this may be the only occasion on which a precedent such as this has been followed. I may be mistaken. It is possible that when I occupied the position he now holds there may have been cases in which this was done, but I doubt it very much. In any event, in answer to a question of mine yesterday the minister made it quite clear, that this matter would be referred to the standing committee on railways, canals and telegraph lines. As reported at page 772 of *Hansard* of February 12, 1962 the minister had this to say in answer to a question I put to him earlier:

> The hon. member for Laurier has pointed out that in my remarks on the resolution I did not state I intended to ask that the Whitecourt bill—

That is the one now under consideration.

> —be referred to the standing committee on railways, canals and telegraph lines. I intended to do that on second reading. I can assure the hon. member now that we definitely intend to refer this bill to the committee.

I think the minister owes the house an explanation as to why, overnight, he has changed his mind and now asks that this matter be referred to the committee of the whole. I must tell the minister that we are going to oppose this suggestion with all our might. Whether or not there is urgency, it has been the practice of this house to refer matters of this kind to the standing committee on railways, canals and telegraph lines so that we can have the officers before us and can inquire from them as to the details of the agreement.

The minister says he cannot give the agreement. We have not a summary of the agreement, but only some of the details. Now the matter is to be referred to the committee of the whole, where we certainly will not be in a position to examine the officers. That procedure is contrary to the whole tradition of parliament, and I from this side of the house must object to it and protest as strongly as possible.

I hope the minister will come back to his original idea of referring the matter to the standing committee. We on this side of the house will co-operate with the minister in establishing the standing committee so the officers can come forward. I think it would be a derogation from the rights of parliament to ask the committee of the whole to deal with a matter of this importance. Even though there is urgency for the construction of the piers, as I am prepared to admit, the urgency certainly is not such that we cannot have before the railway committee a discussion of the merits of the agreement.

I repeat what I said yesterday, namely that on the principle of the bill or on the merits of the legislation we are prepared to support it, as it is a project which will assist in the development of the resources of one province and incidentally in the development of our country as a whole. However, we cannot consent or agree to the suggestion made by the minister that the matter be referred to the committee of the whole for discussion.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, the hon. member for Laurier has stated quite strongly his party's objections to putting this legislation through the committee of the whole rather than through the regular channel, namely the standing committee on railways, canals and telegraph lines. I feel just as strongly about the matter, though perhaps for somewhat different reasons. In order to make my point I turn to two practical examples rather than to the infringement of parliamentary rights, although I agree with him on that matter.

In our own region we have two situations which were caused by extensions in C.N.R. facilities in the last decade or so and which are very much up in the air now. One of the reasons for the situations happens to be that not enough information was garnered at the launching of the enterprise. At the present time we have a very bitter debate going on between the iron mines in Steep Rock which are shipping out of Atikokan to Port Arthur on the C.N.R., over the freight rates that are being charged. The argument being made by the C.N.R. is that in terms of volume the mines have not lived up to the agreement that was entered into some years ago, and that therefore it has been necessary to raise the rates. On the other hand the mines are arguing that this is a punitive measure which is going to cause them a great deal of trouble.

Without taking sides on the merits of the matter—though I must admit that my sympathies are with the local agency rather than with the national one—I may say it is quite apparent that there is a great deal of misunderstanding about the original agreement. Here in the house the minister says he cannot give the details because to do so would be tough on the competitive position of the C.N.R. I might point out that the Atikokan situation is very much like this one. At Atikokan there was no real alternative means of transportation other than the Canadian National Railways, and I understand the same situation exists in this case. I fail to see that the excuse or the reason given by the minister stands up.

The other example I should like to bring to the minister's attention with regard to the need to examine branch lines closely is one I will take from my own area, where we had a line built in to Manitouwadge a number of years ago. The discovery really got under way in 1953. What happened there was that both the Canadian National Railways and the Canadian Pacific Railway built lines into the mine, and at the present time neither railway has enough traffic really to be remunerative. We have the spectacle of an additional branch line in the area.

Here again it seems to me in retrospect that parliament bore a responsibility for failing to go into the nature of the agreement existing between the Canadian National Railways and the mining corporation. These are two examples from my own area that lead me to believe we need the opportunity to examine and cross-examine the officials concerned. We cannot do that in the committee of the whole.

The third argument that I would bring to the minister in this regard relates to something which is becoming the theme in transportation today in Canada and which has been echoed by the royal commission on transportation. I refer to the theme that the railways must get out of the branch line business. In any case in which a branch line is being abandoned I understand that all kinds of opportunities are given to the public in the areas concerned to come forward and express their views or their arguments pro and con. I may say that most of them will be con.

In a situation like this, which underlines the uneconomic nature of so many of the branch lines the railways built, it seems to me we need to be almost unnaturally vigilant in any case in which the Canadian National Railway in particular is getting into further branch lines. I can assure the minister that I am not exaggerating my doubts when I say that with regard to this particular enterprise, which on the face of the minister's

explanation is a good one, I will feel much happier if we have the opportunity to deal with the matter in a committee.

Now the minister suggested that the urgency is so great that we cannot take time to refer the bill to a standing committee. Surely this committee could meet on Thursday morning and study this particular bill, or early next week at the latest. I cannot see that a delay of from three to five days could possibly be crucial in the building of only some 20-odd miles of track. For these reasons we will object to and if necessary vote against second reading of this bill, if we are not going to have an opportunity of examining it in the standing committee on railways, canals and telegraph lines.

I appreciate the fact that I did not hear the explanation of the regional aspects of this rail project given by the hon. member for Jasper-Edson. I should like to congratulate him and the other members from Alberta upon having, in connection with their oil industry, so many wonderful opportunities for expansion. The views I have expressed about the desirability of sending this measure to a standing committee are not to be regarded as an attempt to block the advantages of this enterprise to the area in Alberta which the hon. member represents.

Mr. H. M. Horner (Jasper-Edson): I should like to add a few words to what I said yesterday on this measure at the resolution stage. I think I could echo the minister's request for speed, because there is real urgency in getting the piers built across the McLeod river. The McLeod river is a relatively short, swift, mountain river which flows into the Athabasca at the town of Whitecourt. In order to get the heavy equipment into the area it will be necessary to have the bridge built first. This is the important consideration. The bridge will have to be built before the equipment to build the line can be taken farther into the country.

It is particularly important that these abutments and piers be put in place this winter. We have approximately only a month left in which to complete this work. I appreciate the remarks made by the hon. member for Port Arthur, but five days may make quite a bit of difference in getting the concrete poured. Each day is going to become extremely important in building these piers.

There is another factor that is of importance. As I said, the town of Whitecourt is a boom area and there has been a large influx of workers awaiting the start of construction on the newsprint plant, awaiting the start of construction on the railway and looking for jobs in connection with gas extraction. There is a surplus of manpower there at the moment, so if we could get this bill passed we could get these men started to work on the bridge and then clearing the line. These two factors are of importance when we consider the urgency for getting started on the bridge.

There is one other matter I should like to refer to, and that is the sulphur which was mentioned by the hon. member for Laurier. We will be using some of this sulphur locally in the pulp mill, and we expect there will be a local demand for sulphur as well. There is a market for Alberta sulphur in British Columbia, but a large volume of the sulphur will either have to be exported or moved to Ontario. As I said yesterday, the total usage of sulphur in Canada is somewhere in the neighbourhood of 600,000 tons a year. Within about five years this one plant will be producing that much. We also hope, particularly in the farm areas I represent, that some of this sulphur will be more easily available for use as fertilizer, because it has been shown that elemental sulphur is very beneficial on the grey wood soils of Alberta. We are hopeful that this sulphur will be used in the chemical complex which is now being established around Edmonton. Perhaps a further chemical industry will be established, and we would hope it might be decentralized out of Edmonton as a result of the development at Whitecourt.

It is for these reasons, and the fact that this development is at the moment marking time, that I sincerely ask the house to consider giving quick passage to this bill. There is one other point I should like to make with regard to divulging the details of the agreement. I believe I recall that last year a private bill was introduced to grant the Canadian Pacific Railway permission to build eight miles of track into a similar plant at Rimbey, Alberta. The Canadian National is concerned because there are more than 14 of these plants in Alberta. They are not all owned by the same people, and it is becoming a very competitive business. While it is true that the Canadian National is the only railway in the immediate area, I think it becomes apparent that the sulphur company will be concerned if the complete arrangements are divulged, because this will weaken their competitive position in the sulphur industry of Alberta.

I just bring to the attention of the house the fact that last year the Canadian Pacific requested permission to build an identical extension to a plant at Rimbey, Alberta. I am

sure they were not required to reveal all the details of the agreement with British American Oil at that time, so it would be putting Canadian National in an unfair position, as well as the Texas Gulf Sulphur Company, to ask them to reveal the details of the agreement now.

In conclusion I would say that while I appreciate the fact that some of our branch line building in Canada has not been well directed, I am sure that the tonnage and the contributions made by the company will mean that at the end of 25 years railway construction costs will have been paid off and the line will be showing a reasonable profit. It seems to me that this is a reasonable bill. Again I ask the house to consider the urgency for constructing the bridge across the McLeod river. This has to be done within the next month, and the days do count in this regard.

Hon. J. W. Pickersgill (Bonavista-Twillingate): I am sure all of us are influenced strongly by the very sensible considerations that have been advanced by the hon. member for Jasper-Edson, who is properly concerned that this project should get under way just as quickly as possible. If there were any risk of any real delay, any likelihood of any real delay in the procedure we suggest, I think we would have to give some consideration to the feelings which the hon. member has expressed. However, I think the house should bear this fact in mind, that the debate on the address was adjourned on January 25 and that it has not been resumed on February 13. If we had proceeded in the normal way this session and had gone right on, the debate on the address would have been finished by February 1, two weeks ago. This bill could then have been given priority over every other piece of legislation. It could have been disposed of very quickly and could have been on the statute books before this. So, if there has been any delay, the delay cannot be blamed on the opposition. It is the customary bad management of the sessional affairs by the government.

Apparently the government had some frantic reasons for departing from the normal procedure in parliament, some frantic reasons for interrupting the business of the house which the Prime Minister told us was going to be interrupted for only two measures but, as has occurred, it has been interrupted since for over a week. The business of the house could have proceeded until the four days of debate on the address had been completed, without injury to anyone and this bill could then have been given priority.

[Mr. Horner (Jasper-Edson).]

Even now, as the hon. member for Port Arthur (Mr. Fisher) pointed out very cogently, there is no reason why the committee should not be set up.

I am speaking without having consulted my hon. friend from Laurier (Mr. Chevrier) but I am sure we on our part would be prepared to have a motion made and disposed of at once to set up the committee on railways, canals and telegraph lines, so that it could meet on Thursday morning and dispose of this matter then. It seems to me that would not be diffcult but it also seems to me, in view of what the hon. member for Laurier and the hon. member for Port Arthur have said, we have a duty in this house, on both sides of the house but particularly on the opposition side, to scrutinize all these railway bills at a time when the royal commission appointed by hon. gentlemen opposite is suggesting that hundreds of miles of railways be torn up all over the country.

When we are being asked to build new branch lines it is our duty to see that these lines are warranted, and not take them on faith from the government. I am not questioning the good faith of the government when I say this. I am just saying that is the proper way to do it, and the Minister of Transport evidently thought so last night because his language was quite categorical, as reported at page 772 of *Hansard*. It would not seem to me that any new consideration has developed overnight, unless some of the suspicions of my hon. friend from Essex East (Mr. Martin) are correct.

Mr. Churchill: He is a very suspicious man.

Mr. Pickersgill: If that is not the case then there is no reason on the face of the earth why this matter should not go to the committee; there is no reason why the officials should not be there to give us all the information we need on Thursday, and then the matter could be brought back and be disposed of, obviously, very quickly indeed. We have had far too many departures from the normal procedure in this session of parliament. If it is the government's intention, as I believe it is, for this to be a normal session of parliament I do not see why they do not try to behave normally and not in the frantic, feverish way they are behaving at the present time.

Mr. Martin (Essex East): One must be normal to do that.

Mr. Pickersgill: My hon. friend says one must be normal to do that. I do not wish

to cast any more reflections on the government collectively, or on any of its members individually, beyond those I have cast already.

Mr. Starr: Don't you consider yourself normal?

Mr. Pickersgill: I shall be happy to leave that judgment to my constituents, and I shall perhaps do it with an easier mind than the minister who interrupted me.

Mr. Starr: You could run in my riding.

Mr. Pickersgill: I reciprocate the hon. gentleman's invitation.

Mr. Churchill: Talk about railways.

Mr. Pickersgill: The Minister of Veterans Affairs suggests I talk about railways. As a matter of fact it was not I who got off the subject of railways. It was the Minister of Labour who is obviously exceedingly perturbed today, and with very good reason.

Mr. Starr: Not at all.

Mr. Pickersgill: It was he who got off on that branch line of his own.

An hon. Member: You started it.

Mr. Speaker: Order. The hon. member for Bonavista-Twillingate has the floor, and I do not think it is going to advance the debate to have half a dozen members shouting across the floor.

Mr. Pickersgill: As I was saying in this intervention, which would have been much briefer but for the hon. gentlemen opposite who were interrupting me, our view is that this railway bill should be treated in the normal parliamentary fashion. Within those limits, as the hon. member for Laurier has pointed out, we think the government has made a good prima facie case for the bill and if the prima facie case is justified by the facts brought out in committee, there will be no need for any delay which would concern the hon. member for Jasper-Edson (Mr. Horner) who spoke so moderately about this matter.

Mr. Speaker: I should inform the house that if the minister speaks now he will close the debate.

Hon. Gordon Churchill (Minister of Veterans Affairs): I want to make reference to some of the matters which came up this afternoon. May I deal first, but not at any length, with the accusation of bad management offered us by the hon. member for Bonavista-Twillingate. I should point out that the committees of the house would have been set up long ago had the Liberal party provided the names of its members for the various standing committees.

Mr. Pickersgill: That cannot normally be done until the address is disposed of. On a point of order, the minister has made a statement which is not only an unwarranted reflection on hon. gentlemen on this side of the house but one which is not in accord with the rules of the house, because it is not usual to bring them up until the address is disposed of.

Mr. Speaker: That is not a point of order.

Mr. Habel: I merely rise to say that the names of members from this side of the house to be appointed to committees have been in the whip's office since one o'clock this afternoon.

Mr. Pickersgill: Where is the whip?

Mr. Chevrier: Better move on to another argument.

Mr. Churchill: I was going to refrain from drawing attention to this lack of competence on the part of the Liberal party but, in view of what has been said, perhaps we should revert to motions at six o'clock tonight, or first thing tomorrow, so that the committees could be set up. That being done it would then be reasonable to refer this bill to the standing committee on railways, canals and telegraph lines. But in view of the great urgency of this matter, and in view of the fact the committee had not been set up we thought the house would consider using the other method proposed.

However, under the circumstances and seeing we are co-operating together so effectively, if the committee is set up very promptly and meets, if the bill can be considered by that committee on Thursday of this week then I think we can make progress, all of us recognizing the need for some haste in this matter because of the bridge that has to be built. I would at this stage suggest that, all these things being done, I would then ask for the co-operation of the house on Friday, if the committee has finished its work, to interrupt if necessary the speech from the throne, if that is what we are considering on Friday, in order that the bill might be passed through this house and referred to the Senate because the other place would have to consider it by Tuesday in order to complete the procedure, followed then by royal assent. In order to get this railway in motion and get the bridge built during the winter season we would have to do this within the next seven days.

I put this forward expecting that it will meet with a ready response from hon. gentlemen opposite.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, while I have already spoken on this matter and perhaps I am out of order, it may be considered that I am speaking to a point of order in reply to what has been suggested by the house leader. I think the suggestion he has made goes much further toward meeting the wishes, certainly of those on this side of the house and, I feel sure, all others, than the suggestion the Minister of Transport (Mr. Balcer) made earlier this day.

We on this side of the house think there should be a reference of this matter to the committee on railways, canals and telegraph lines. We will, to the extent that we can, expedite the meeting of the committee. Since the names of those composing the committee are now in the hands of those responsible for setting it up, that could perhaps be done and the committee could meet at a later date, when the matter could be discussed with the various officials. If, as the house leader now indicates, we might be on the speech from the throne on Friday—in fact, as he rather positively indicates—

Mr. Churchill: I put an "if" in there.

Mr. Chevrier: Well, I have taken the "if" out.

Mr. Lambert: Are you the house leader?

Mr. Chevrier: In so far as we are concerned there would be no objection to interrupting the speech from the throne in order to return to this matter so that we could consider it in committee of the whole house after study in the railway committee. Therefore those who sit on the other side of the house surely cannot, by any stretch of the imagination, suggest that we are not co-operating in the business of the house.

Mr. Speaker: Does the hon. member for Port Arthur (Mr. Fisher) wish to concur in the proposed arrangement?

Mr. Fisher: It sounds fine to me, Mr. Speaker.

Mr. Pickersgill: Do you speak for your party?

Mr. Speaker: I think the appropriate order, as I have listened to the discussion, would be that the house now agrees that when this bill returns from the committee, if the throne speech stands in the way of its progress in committee of the whole house and third reading, then the throne speech may be interrupted to consider this bill in committee and third reading. Is that agreed?

Some hon. Members: Agreed.

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, all I wish to say is that I am very grateful to hon. members for realizing the urgency of this bill. When I suggested that we might study the bill before a committee of the whole house I was not informed of the tabling of the list of opposition members who are on the committee, so I was rather nervous as far as the completion date of our proceedings was concerned.

However, I am very grateful to the house. Everything seems in order and, as the minister concerned, I think it is a better procedure to send these branch line bills before the standing committee because it gives an opportunity to all hon. members of the house to ask pertinent questions of the officers of the company.

The hon. member for Laurier (Mr. Chevrier) has asked a few questions. I do not intend to answer them all today because some of them will be answered by the experts of the company, who have all these figures. If we had been in committee of the whole I had intended to secure this information, but I am quite sure it will be agreeable to hon. members to hold these questions for the experts in the standing committee.

I just want to answer one question. Yesterday the hon. member asked me to give a brief summary of the cost per mile of this branch line compared with the cost per mile of other branch lines built recently in Canada. The average cost per mile of this one is $99,138. I have here a list of nine branch lines and, starting with the branch line from Sherridon to Lynn lake, the average cost per mile was $117,000; Terrace to Kitimat was $232,000; Beattyville to Chibougamau, $113,000; Bartibog to Heath steel mines, $103,000; Sipiwesk to Thompson, Manitoba, $143,000; Optic lake to Chisel lake, $124,000; Hillsport to Manitouwadge, $109,000; St. Felicien to Cache lake, $124,000, and Mattagami to Mattagami lake, the estimated cost per mile is $140,000. Therefore the average cost per mile of this particular branch line is about the lowest we have had in Canada in quite a number of years.

The hon. member for Laurier again raised the issue of the agreement and said that he intended to ask questions on the agreement if we had been in committee of the whole. The officers of the company will be very pleased to answer any questions the hon.

member wishes to ask in the standing committee. However, I again repeat that he should not be too hopeful because I do not think it would be proper to produce the agreement itself, for the various reasons I gave yesterday and to which the hon. member for Jasper-Edson (Mr. Horner) just referred. Mr. Speaker, before resuming my seat I move that this bill be referred to the standing committee on railways, canals and telegraph lines.

Mr. Speaker: I must put the question on second reading before accepting the minister's motion to refer the bill to the committee.

Motion agreed to and bill read the second time.

Hon. Leon Balcer (Minister of Transport) moved that the bill be referred to the standing committee on railways, canals and telegraph lines.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS

CONSTRUCTION OF BRANCH LINE BETWEEN MATANE AND STE. ANNE DES MONTS, QUE.

Hon. Leon Balcer (Minister of Transport) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to authorize and to provide for the construction and operation on behalf of Her Majesty of a line of railway in the province of Quebec, between Matane and Ste. Anne des Monts, a distance of approximately 57 miles; to provide also that the governor in council shall pay to the Canadian National Railway Company an amount equal to the cost to the said company of constructing the railway line (including the cost of survey of location and the cost of acquisition of the land required for the railway line) not exceeding in any case the sum of $16,100,000.

Motion agreed to and the house went into committee, Mr. Chown in the chair.

(Translation):

Mr. Balcer: Mr. Chairman, it is undoubtedly an honour for me to sponsor today a bill the purpose of which is to promote the industrial and commercial development of one of the most picturesque areas of the province of Quebec, the Gaspe peninsula. Most members of the house are familiar with that region and all will agree with me that it is a most interesting part of our country, not only as a tourist attraction but also because of its population whose distinctive features have always appealed to other Canadians.

Indeed, Gaspe, that rugged part of our country, was settled by pioneers several hundred years ago. The people of the Gaspe peninsula have lived through rather difficult times, quite often without other means of survival than fishing and a little wood-cutting, and their activities have always been hampered by the lack of transportation facilities. Yet, both the federal and provincial governments were often urged to find means of ensuring the economic survival of that part of our country so that its people would enjoy the same standard of living as the rest of Canada.

The problem of transportation in general was brought to the public's attention in the lower St. Lawrence district and the Gaspe peninsula many years ago. More recently, in the past ten years, the chambers of commerce, the municipal councils, the economic planning councils, all kinds of associations and all those who are concerned with the particular problems of that area, have given thorough consideration to the problems of transportation within the peninsula and between Gaspe and the other Canadian centres.

Renowned experts like Mr. Pierre Camu and Dr. Huet Massue have prepared extensive reports on that problem in eastern Quebec. Those documents have shown among other things that the lack of railway facilities in the Gaspe peninsula, is an obstacle to the development of an area which has always suffered from the fact that it is traditionally far from markets.

The economic future of the lower St. Lawrence district and of the Gaspe peninsula is directly related to the means of transportation available. The present government appreciates the magnitude of the problem and that is why it has taken bold and courageous action in that field. It did not merely make promises. it took initiatives: harbour improvements, new "roll on roll off" ferry services, year-round navigation between both shores of the St. Lawrence. In the same spirit, it now seeks the house's approval of a bill which would earmark $14 million for the construction of a new railway between Matane and Ste. Anne des Monts.

A moment ago, I spoke of the ferry service we provided in that part of the lower St. Lawrence district.

The geographical location of the Gaspe peninsula has tragical effects. In fact, Gaspe is right in front of one of the richest districts in Canada, perhaps in the whole world; several billions of dollars are being spent on development in that area which is but some ten miles from Gaspe. That was the situation in the Gaspe peninsula; with the years it became a depressed area and, as usual, the people started moving out.

Our government is convinced that if transportation facilities are multiplied between Gaspe and the rest of Canada, and especially through a ferry service between the peninsula and the north shore, the people will start moving back to Gaspe which was settled over 300 years ago whereas the north shore was opened up on a large scale only in the past fifteen years.

The government hopes that this will bring about an exchange of population between the two shores of the St. Lawrence, which should further the development of the Gaspe peninsula.

As I pointed out earlier, the big problem in the Gaspe peninsula is one of transportation, and I am convinced that this measure which I have the privilege of introducing in this house today will be another factor in allowing the people of this area to attain the same economic level as the rest of the country.

There already is a line of some 40 miles in length between Mont Joli and Matane and, with the addition of the projected line, this will mean that the area extending from Mont Joli to Ste. Anne des Monts will be served by a railway on a distance of some 100 miles. Moreover, the population to be served by this railway, or directly concerned with this bill, exceeds 100,000.

Already, some mining companies have indicated that the extension of the line to Ste. Anne des Monts will enable them to carry out their development projects. One such case is that of a subsidiary of the East Sullivan Mines Ltd. I have seen correspondence in which officials of this well known company have indicated that, if the area in which they own properties could be joined to Ste. Anne des Monts, they would be in a position to develop them economically.

It may also be inferred that several other mining companies were only waiting for adequate means of transportation before increasing their mining operations.

Ever since the development of the Murdochville mine started, the people of the Gaspe peninsula have been hopeful because that very rugged country contains huge mineral deposits.

That is why the government submits today to the consideration of this house a bill which will provide for the development, on a sound basis, of all those mineral deposits and of the other natural resources of Gaspe such as wood and wood products. I have no doubt that the construction of this railway line will be conducive to the solution of the economic problems of that region.

I also know that one of the most important pulp and paper companies in the province of Quebec has always wanted the extension of that railway line to Ste. Anne des Monts because in the forests of the Gaspe peninsula lie almost unlimited resources. Yet, in recent years, we have witnessed the tragedy of a people living on a quite scant income only a few miles in the interior of a peninsula which has boundless forests that could not be developed on a sound basis because of the lack of transportation.

The bill under discussion provides for the construction and the operation of a railway line, from Matane to Ste. Anne des Monts, in the constituencies of Matane and Gaspe. That region of the Gaspe peninsula has been for some time the proposed site for a railway; but the project was never carried out. This construction will therefore be an effort or rather a development project to improve the economy of that region, to give the lumber industry easier access to the markets and to promote the development of mines and other resources in that part of the Gaspe peninsula by providing direct transportation by rail. The possible traffic, without taking into account future mining developments, would be made up of pulpwood, shavings, lumber, gasoline, oil and building materials and goods in general.

In view of the fact that this is a development project, the procedure adopted will be as follows: the Canadian National Railways will build the line on behalf of the government; the company will operate and maintain that line on the same basis. The surplus in revenue from this line will be given over to the government; on the other hand, any deficit suffered by the Canadian National Railways will be made good. This line will be linked to the main line of the Canadian National Railways through the Canada Gulf Terminal line. The line will cover a distance of approximately 57 miles and cost approximately $14 millions.

Mr. Chairman, as the house can see, this is a development railway, a railway for the development of natural resources which, at the present time, are untapped.

We are convinced that the future will prove right those who have advocated that project, the people of the Gaspe peninsula who have been asking for that railway for years, and the government which puts its faith in the people of the Gaspe peninsula, while promoting the economic development of Canada and, in particular, of the province of Quebec and that region of the province.

Some hon. members may express doubts as to the advisability of constructing that line now instead of next year but I think that we must have vision and construct right now this development railway which will not only provide for the development of natural resources in the Gaspe peninsula but will also offer to its people who have always lacked adequate transportation an opportunity to ship their products without paying prohibitive transport rates. This railway will also enable them to compete in the domestic market.

Mr. Chairman, as I mentioned a moment ago, this is a development railway. It is a railway which is to be built and operated by the C.N.R. That is why I intend during the debate on second reading, to table the draft contract between the government and the Canadian National Railways.

Therefore, it gives me pleasure, Mr. Chairman, to commend this resolution to the approval of the house.

Mr. Chevrier: Mr. Chairman, I followed closely the statement of the minister on the construction of a railway line between Matane and Ste. Anne des Monts.

During the course of his remarks he told us that the object of this line is to develop the Gaspe area which has suffered for many long years from a lack of transportation. He told us the construction of this line was intended to promote industrial, and commercial development in that area of the Gaspe peninsula.

We, who are sitting on this side of the house, are in agreement with what the minister said, and consequently we intend to support the measure he introduced today.

It is not the first time that reference is being made to the construction of a railroad in the Gaspe peninsula. Indeed, the minister said himself that many are those who have promoted such a project.

It is obvious that the means of transportation in that area are of concern to all those who have at heart the development of the Gaspe area. I do not refer exclusively to individuals and business firms, to corporations and associations, but to several others who, for many years, have made representations in favour of such a project.

The minister referred in particular to the study of the matter made by Messrs. Pierre Camu and Huet Massue. So, I should like to read into the record some of the recommendations made by Mr. Pierre Camu in his report entitled "Transportation Problems in the Lower St. Lawrence Area", which was submitted by the lower St. Lawrence council on economic planning in 1960.

The minister, I am sure, will have no objection to my reading into the record some recommendations concerning not only the railroad, but all the subjects to which he referred, including the ferries and other means of transportation between both shores of the St. Lawrence.

I do not propose to read into the record all of what Mr. Camu recommends. But it seems to me that some of his recommendations should be brought to the attention of the house.

In the conclusion of that report, which may be found on page 91, we read the following:

Recommendations and suggestions

1. About the port area Riviere du Loup-Gros Cacouna, we believe that this area could attract a potential traffic of more than 1,227,000 tons from an hinterland including the counties of Riviere du Loup, Temiscouata and Kamouraska, the north-eastern part of New Brunswick and the north-eastern part of the state of Maine. To handle such a traffic, adequate port facilities are required to accommodate at the same time at least two sea-going vessels of three thousand gross tons; a shed 300 feet long by 50 feet wide must also be provided, as well as a railroad and necessary wharves for a ferry. Consideration should perhaps be given to choosing another site for the present wharf at Riviere du Loup. The Gros Cacouna site would seem to be the most appropriate.

2. In order to improve the port of Matane, the possibility of changing the course of the mouth of the river could be considered; it would then be easier to drag the basin and maintain water at an adequate level. Another solution would consist in extending the pier or to construct a submerged pier to hold back alluvial deposits at the port entrance.

I shall skip the third recommendation, which deals with a purely provincial matter.

4. To maintain and develop marketing and trade with the north shore, we suggest the establishment of three ferry services: between Riviere du Loup or Gros Cacouna and Tadoussac; between Rimouski and Pointe au Pere and Baie Comeau; and between Matane and Godbout. We recommend the use of ferry boats which can navigate through ice floes and carry, each trip, a few trailer trucks and one or two buses.

5. We contemplate the possibility of grain elevators, of the type built at Baie Comeau and designed for the same purpose, being erected in the harbours of the area.

Another possibility would be, especially in winter, to accentuate the national character of the lower St. Lawrence ports, to make them gateways of Canadian trade.

6. The matter of grants to shipping companies should be re-examined by both governments, the Quebec government and the federal government.

A total of $241,000 is paid annually to the shipping companies servicing the lower St. Lawrence. That is not much compared to what is paid elsewhere for so-called "essential" services. We believe that the economic planning council for the lower St. Lawrence is entitled to know whether the services

offered by the companies are consistent with the intent and the letter of the acts governing the conditions of payment of the grants.

I skip recommendation 7 and pass on to 8 which reads as follows:

8. We believe that the introduction of the piggy-back service would be beneficial to the economy of the lower St. Lawrence region and that it should be given a try, providing that the truckers can drive overnight the full distance between Mont Joli and Montreal, either way, all year round.

9. The Canada and Gulf Terminal Railway should be taken over by the Canadian National Railways as soon as possible.

Finally:

12. The trucking companies are up against a competition they call unfair from the railways. As a matter of fact, in that part of Quebec, the trucking companies that operate between various cities charge rates lower than those of the other companies in the province, in order to compete with the rates set by the railways whose operating deficits are made up through grants at the end of the year. And yet, the trucking companies in the area pay the same taxes, buy the same permits, etc., as similar companies elsewhere in the province.

The provincial government should increase the maximum permissible load from 50,000 to 60,000 pounds, and the provincial transport commission should allow direct transportation, by the same carrier, of goods shipped from one city to another in the area.

15. The establishment of railcar services between Riviere du Loup and Matane, Riviere du Loup and Edmunston and Mont Joli and Campbellton-Dalhousie should be requested.

16. The Mont Joli airport should become the regional airport of the lower St. Lawrence.

17. As for passenger traffic, the aims of the economic council of the lower St. Lawrence should be: (1) to see to it that the highway system is improved; (2) to make suggestions to the department of roads as to what is felt desirable for the years to come; (3) to study and analyse the timetables of the railway, bus and air line companies, with a view to improving and facilitating movements within the area, and between that area and surrounding areas.

I wanted to bring to the attention of this house the careful study carried out by Dr. Camu, at the time director of research in the department of commerce of Laval university, who is now, as it is generally known, vice president of the St. Lawrence seaway authority. When he prepared this brief and made those recommendations, he had studied the whole question of transportation in the lower St. Lawrence district.

Thus, as far as the railway legislation mentioned by the minister, and which is now before the house is concerned, we should seriously consider all suggestions made by an expert in this matter, some of which can be approved by the federal government and the Department of Transport, while others are under provincial jurisdiction.

The minister told us that the railway will go from Matane to Ste. Anne des Monts. He also stated that a crown corporation—I assume he meant the C.N.R.—would be responsible for building and operating the railway and that, if there were any deficits, they would also be covered by that crown company, while, in the case of a surplus, the company would benefit.

I think it is also important to know what will become of the gap between Matane and Mont Joli, where the Canada and Gulf Terminal Railway operates, which is owned neither by the federal government nor by an agent of the crown, but by some other entity. As the government did not expropriate that railway, it is neither the owner nor, if I am not mistaken, does it have a right of way on that line. Would the minister tell us what arrangements will be made with the owners of the Canada and Gulf Terminal to enable the C.N.R. to extend its track to Ste. Anne des Monts?

Nor did the minister tell us whether that 57 mile railway line will be extended by 44 miles, and by a further 46 miles to the site of the Gaspe Copper Mine, or whether it will be extended by 44 miles plus 14 miles to the Federal Metal Corporation, those companies being copper mining developments.

The minister said that there would be transportation facilities for the ore from those mines. Will those facilities follow the recommendations made by Mr. Camu? For instance, will there be any day-lines or piggy-back service from those mines to Ste. Anne des Monts?

I think the house wants to have some idea of the government's intention in this respect.

Now, the minister talked about the great benefits to our industry and our trade which will result from the construction of this railway. There is no doubt about that. But I also ask the minister the following question: could he not have done the same thing he did in the case of this railway for an air line operating in the lower St. Lawrence, the Quebecair company. The minister is surely aware of the fact that this company has faced rather serious difficulties for some time, and the government had a good opportunity to offer such help. I do not intend for one moment to throw any blame on the minister himself because, from the reply he gave to a question I put in this house, it appears that it is the government which has not deemed proper, either through the air transport board or through a submission to the treasury board, to allow a grant or a payment to this air line for its winter operations.

Perhaps the minister, when replying to our remarks, could tell us how it is that, with regard to this transportation system, it has not been possible to provide assistance. Could he tell us more specifically whether or not that railway, which is intended of

course for the development of the area, is not granted more or less as a compensation for having refused to assist the air line?

Mr. Chairman, I have said enough for the time being. We shall wholeheartedly support the proposed construction of that railroad which will extend 57 miles. We shall support it because we believe it is for the industrial and commercial development of the lower St. Lawrence area, which is now developing not only on account of the mines, referred to by the minister, but also on account of the iron ore deposits of the north shore, the development of which has been rendered possible, to a great extent, by the St. Lawrence seaway.

It is not impossible that with the years that line which will soon be constructed may serve to supplement other means of transportation which have been established in that area by previous governments.

For all those reasons, the opposition will not only be pleased, but will consider it a duty, to support the resolution.

(Text):

Mr. Fisher: I have been particularly interested in this measure because I noted, in reviewing the hearings of the royal commission on transportation, there was a certain sense of loss, or perhaps it would be better described as a feeling on the part of the Quebec government at the time the hearings were held that Quebec had not had its fair share of railway development in the twentieth century. The Quebec provincial brief was presented by Daniel Johnson, who I understand is now the leader of the opposition but at that time was the minister in charge of the department of the Quebec government that had the responsibility for making the presentation to the royal commission.

In a number of places he argues that from 1920 to 1958 in particular, while development lines were being pursued in other parts of the country, Quebec was going short, and that this particularly applied to lines of the Canadian National Railways. His actual words appear at page 7692 of the transcript of the hearing, where he said:

> It should be pointed out that Quebec got the least increase of all the provinces of Canada during these many years. It may be pointed out to us that we must take into consideration the location of the network with regard to the geographic location of the population, that we have less miles of railway than the other provinces of Canada with regard to their population, but that the network is better situated, performs better, carries more. In brief, that it is efficient. The problem, as we see it, must be related to the role that the railway has played and will play in the development of a territory or region and we think that the regions which are not now served or served poorly in Quebec, would have benefited considerably and would have gained more by a more concentrated network, especially when the railway favours the development of the natural resources of the region.

Then, Mr. Johnson goes on to indicate the areas in Quebec which he feels, and the Quebec government at the time felt, should have railway extensions. The first one was from Mont Laurier to Maniwaki; the second, from Mont Laurier to Senneterre; the third, was Dolbeau and Baie Comeau, Port Cartier and Seven Islands; the fourth, Chicoutimi and Tadoussac—Baie Comeau—Port Cartier and Seven Islands; the fifth, Gaspe and Matane, along the St. Lawrence; sixth, La Malbaie and Tadoussac, and around the Saguenay towards Seven Islands; seventh, Angliers and Rouyn—Noranda.

Now, the government apparently has decided that this particular line has priority over the others that were indicated as meriting development on the part of the Canadian National Railways. I would hope that in committee we could expect to get an explanation as to why this particular line has been given priority. I am not being critical, but since suggestions have been made that there are eight possible lines that should be pursued and one has been chosen, we will want to know the reason this particular line has priority, especially in view of the fact there is not the usual economic activity directly associated with this line such as existed in connection with the extensions that were put into Chibougamau or the one we are planning into Alberta in connection with the sulphur development.

I would hope, for that reason, when the minister is giving his explanation or perhaps when the bill is before the committee, we could be told why this particular line was chosen. We must honestly admit that we know very little about the potentialities of that particular region of the country. I again point out that the chamber of commerce representing Gaspe appeared before the royal commission on transportation. I have gone through their brief and their cross-examination, but I cannot find any indication of a particularly enthusiastic investigation of this particular line, in the sense that other regional groups who came to the hearings in Quebec made strong pleas. For example, the delegation from Lake St. John region and the other group from Abitibi made very strong representations about branch line development. Since the chamber of commerce from Gaspe did not do more than raise the question, then the question arises in my mind, why was this particular line given priority over the other requests?

The Chairman: It being five o'clock, it is my duty to leave the chair in order that the

house may give consideration to private members' business pursuant to section 3 of standing order 15.

Progress reported.

CRIMINAL CODE

AMENDMENT WITH RESPECT TO WATER POLLUTION

Mr. H. W. Herridge (Kootenay West) moved the second reading of Bill No. C-13, to amend the Criminal Code (nuisance).

He said: Mr. Speaker, this bill, an act to amend the Criminal Code, is identical in every way with a bill introduced by the Prime Minister (Mr. Diefenbaker) when he was a distinguished member of the opposition. I introduce this bill for the very same reasons that he introduced his, and with the same objectives.

The purpose of this bill is to make it a criminal offence for every owner, lessee or person operating any industrial plant, oil refinery, chemical works, saw mill or other plant or works, or any other person to discharge or throw or allow to be discharged or thrown any noxious waste product, raw sewage, oil, sawdust, chemical or other matter or thing into a river, stream or other water any part of which is interprovincial or which flows into any interprovincial water, which has the effect of endangering the lives, safety, health or comfort of the public.

Anyone committing an offence under this amendment would be liable to a fine of $25,000 for a first offence and $50,000 for a second offence, or would be guilty of an offence punishable on summary conviction. I realize the scope of this bill is somewhat limited in extent, but I do think it is one step we can take to deal with the growing problem of pollution. It would indicate that this house is willing to amend federal legislation to exercise the authority of the federal parliament in doing what can be done to prevent this growing and increasingly dangerous nuisance.

I might say that I have always taken an interest in the question of conservation of natural resources, particularly with respect to the maintenance of the pure state of our rivers, lakes, streams and other waters. Personally I am in the happy position of living a great number of miles from my nearest neighbour and my domestic and irrigation water comes from a snow capped mountain. So far as I can anticipate, I shall not suffer from any menace of pollution from the action of any other human being. On that account I am particularly concerned with the problem as it faces Canadians in more densely populated portions of Canada and possibly am more horrified than some who live under these conditions, particularly in Ontario, when I see beautiful rivers polluted by sewage and industrial waste, with little being done to correct the situation throughout the years.

This problem is of growing concern to an increasing number of Canadians. I recognize that from the interest taken in it by municipal authorities, provincial authorities, and other local groups, organizations and agencies. It is my contention, Mr. Speaker, that more people are becoming increasingly interested in the problem.

In my constituency the people are fortunate in so far as most of them live on the great Columbia river and the great Kootenay river or some of its tributaries. Up to recent days they have been free from the menace of pollution; but with industrial expansion they are becoming aware of the possibility of pollution in future, and are very anxious to do all they can to maintain the purity of the water they have enjoyed throughout the years. They are anxious to mantain its purity for domestic purposes and also for the continued propagation of the large fish population which is to be found in the lakes there. They are very anxious that action be taken before it is too late, before we begin to experience some of the pollution that is experienced by other parts of Canada where settlement is more dense and where there has been settlement over a longer period of time.

Interest in this question and the importance of the problem itself is indicated by the growing concern of various groups, in the first instance of the provincial governments and then of various agencies within the provinces. It is a matter which was discussed at the annual resources conference in British Columbia, where pollution is a serious problem in coastal areas at the present time.

Mr. Browne (St. John's West): Would the hon. gentleman permit a question?

Mr. Herridge: Certainly.

Mr. Browne (St. John's West): I wonder whether he could indicate what rivers are interprovincial into which other waters go? I can understand the Ottawa being one of them but there are not many like it in Canada.

Mr. Herridge: When the Prime Minister on a former occasion introduced a bill similar to this he had the Saskatchewan river in mind at that time. The problem arose of pollution in Alberta affecting the people in Saskatchewan; and naturally the Prime Minister, coming from an area which suffered in that way, brought it to the attention of the house by the introduction of a bill similar

to this one. I realize the rivers I have mentioned are not interprovincial. They are international rivers, but I am dealing with the problem in a very broad way.

Before I come to my concluding remarks, which I trust in view of my following the footsteps of the Prime Minister, will receive a favourable response from hon. members on the government side of the house, I should like to refer to the resources conference I already mentioned. It is held annually in British Columbia and has paid considerable attention to the increasing menace and danger to the purity of our waters. It was also a subject of considerable discussion at the "Resources for Tomorrow" conference held in Montreal from October 23 to October 28 last year. Anyone who has perused its most interesting and valuable reports will see the importance that was attached to the problem.

In that connection I wish to quote briefly from its reports. I should say it is not my intention to speak at great length because I want to give hon. members an opportunity to express themselves on this subject. This is a paper which was prepared by Mr. J. R. Menzies, chief, public health engineering division, Department of National Health and Welfare, Ottawa. It was headed "Water Pollution in Canada by Drainage Basins" and in it he mentions:

> A publication of the World Health Organization contains the following statement:
>
> "When the forces of sanitary deterioration are considered, such as those that accompany increasing population density and industrialization, it becomes evident that the sanitary control of the environment is slipping backward. In spite of all of a positive nature that WHO and similar agencies have attempted to do, the world is probably in worse sanitary condition now than it was 10 years ago. The forces of deterioration have outstripped the forces of betterment."
>
> It would be unfair to regard this as an accurate statement for all parts of Canada but it accurately portrays conditions in fairly extensive areas where pollution abatement and control are not receiving sufficient support from regulatory authorities and the general public.

He goes on to say, under a paragraph headed "Water use, and effects of pollution":

> Water use may be thought of in several broad categories such as domestic, industrial, agricultural, power, navigation, wild life and recreational. The effects of pollution within these classifications vary widely.

Then he goes on finally to say:

> Broadly speaking, the effects of pollution become a matter of general interest only when they are notoriously bad.

That is the unfortunate position, Mr. Speaker. People only become interested when the effects are notoriously bad. He went on to say something about conditions in the waters that are not affected to any great extent today:

> The situation arouses public attention when a body of water becomes septic or when fish and wild fowl are destroyed in quantity. Because of modern water treatment methods, water-borne epidemics are infrequent although it is quite possible, even probable, that epidemics of non-fatal character go unrecognized as being water-borne. When tastes or odours develop in a municipal water supply due to pollution, they are usually of local interest.

That situation has been brought to my attention by one or two smaller municipalities in my constituency. This article continues:

> Two conditions of increasing significance are related to the rapidly expanding use of synthetic detergents. Even with modern sewage treatment methods these detergents are not neutralized or destroyed to the degree that their effects are not recognizable. Because they contain elements such as phosphorus in the form of polyphosphate additives, it is suspected that they may be, in part, responsible for luxuriant growths of algae in the receiving waters.

That is a complaint I have had brought to my attention:

> Complaints concerning algae are becoming more frequent. Tastes and odours may result from their decomposition and the cost of water treatment is increased.

Mr. Speaker, I mention this because not only have we been affected by the traditional pollution caused by municipal sewage, industrial waste and so on, but now we have this added problem of detergents. I think a good many housewives would be much wiser to return to the good old soap and water. However, in the past there has been some good work done in Canada in connection with this problem. At this time I wish to pay tribute to the work that has been done by the international joint commission as the result of co-operative effort between the Canadian and United States sections of the commission, co-operation between provinces and states which has been extended to the commission, in some cases municipalities and in other cases the industries that are causing the pollution complained of.

I think the first reference to the international joint commission on this question was made in 1913, but I think it was 1946 before any concrete references were made to the commission and their attention was directed to particular problems and particular studies.

I suggest that anyone who is interested in this subject should obtain a copy of this latest booklet issued by the Canadian section of the international joint commission entitled "Safeguarding boundary water quality. A co-operative effort between United States and Canada under international treaty", referring to the boundary waters treaty of 1909.

I mention this because it does offer a guide, as a result of experience, regarding the direction in which federal and provincial governments should go if this problem is

to be met. Some excellent work has been done by provincial governments, agencies of provincial governments, in some instances by local conservation organizations and groups, and in a few cases by the industries particularly concerned with the problem. I think it is safe to say that experience proves the necessity for federal-provincial government co-operation and action if the problem is to be met properly in the near future.

That is the experience of Great Britain. In recent years they have had to revise their legislation with respect to water pollution and obtain the co-operation of the counties, the municipal authorities, and so on, and they are now—just think, at this late date—beginning to attack this problem in a manner that is producing some desirable results.

That has been the experience in the United States. The problem was left to the local authorities, and over the years the states made some piecemeal approaches to it. Now they have found from experience, however, that the problem can only be met as a result of co-operation between the federal government, the states and the local authorities.

In connection with this matter I wish to mention some recommendations that were made at the resources for tomorrow conference with respect to the problem of water pollution. I suggest that these recommendations should be considered by us all. The conference recommended the creation of a water pollution control division within the framework of the proposed national resources council composed of representatives of the 10 provinces. There was the further recommendation that there should be extensive research into the whole problem as it affects the rivers, lakes and streams of this country, and that there should be a national development fund set up to be used in this field as a result of co-operation between federal, provincial and municipal authorities.

Mr. Speaker, I have touched on the question in a rather broad manner. I dealt with this matter rather broadly to indicate the importance of even this first step. I do urge hon. members to indicate their interest in this problem and their determination to do something about it, even in this limited way, by supporting this very simple amendment to the Criminal Code.

In conclusion, I once again urge hon. members to support this legislation as one more small step toward the elimination of the evil of water pollution, a problem which has been discussed in this house and in the legislatures of this country since 1867. I think it is time now that we ended the talking and took action.

[Mr. Herridge.]

Mr. Eric Stefanson (Selkirk): Mr. Speaker, it is a real privilege to participate in this debate on Bill No. C-13 to amend the Criminal Code sponsored by the hon. member for Kootenay West (Mr. Herridge). He indicated that he sponsored a similar bill at the last session of parliament, and mentioned that it was identical to the bill sponsored by the Prime Minister (Mr. Diefenbaker) back in 1956, I think.

I had the privilege of moving the following resolution on June 9, 1958:

> That, in the opinion of this house, the government should give consideration to the advisability of introducing a measure to provide by amendment to the Criminal Code appropriate punishment for the offence of water pollution.

The bill before us today is similar to that resolution. On that occasion I believe 20 hon. members from all sides of the house took part in the debate, and I think all of those who spoke supported the resolution. The hon. member for York-Humber (Miss Aitken), in supporting the resolution expressed regret that it did not also include appropriate punishment for the offence of air pollution. I do not think air pollution is as widely scattered as water pollution, but it is prevalent in large industrial centres and is a real problem.

The matter of water pollution is of concern to all Canadians. I recall hearing a statement that, at the rate of pollution that was taking place, by 1980 there would not be a clean stream or river left in Canada. This situation is alarming. It has often been said that water is our most important natural resource, that it is more important than our minerals, oil, agricultural products, and the like.

Representing a Manitoba riding which includes all of lake Winnipeg and lake Manitoba, and having my home at Gimli, a town on the shores of lake Winnipeg, I am very conscious of water pollution. Interprovincial rivers empty into lake Winnipeg. These include the North and South Saskatchewan rivers. Both these rivers originate in the Rocky mountains. We also have the Assiniboine river, which originates in western Canada. Then we have an international river, the Red river, which originates in the United States. These rivers are polluted along their way by raw sewage. Various towns and cities dump their raw sewage into these rivers, and they are also polluted by industrial wastes. This eventually entered lake Winnipeg, resulting in the pollution of part of that lake. In addition to having an adverse effect upon fish and wild life, this has also created problems for some of our summer resorts situated on both the east and west sides of the southern part of lake Winnipeg.

Water pollution is not a new problem. It has been discussed in this house on a number of occasions. As the hon. member who introduced this bill mentioned, a similar measure was introduced in this chamber in February of 1956. The hon. member for Prince Albert, now Prime Minister (Mr. Diefenbaker) speaking on the resolution he introduced in that year had this to say as will be found at page 1631 of *Hansard*:

> In other words, the amendment which I am suggesting is to cover the general situation arising out of the pollution of interprovincial streams in Canada. In the case of navigable streams offences are created in so far as the Fisheries Act is concerned when anything in the nature of an effluent and the like is dumped into a stream and causes harm to fish; but in so far as interprovincial rivers are concerned, as the law stands today there is practical immunity for those who dump effluents into the river because of the wording of the section in question which permits wanton and wilful pollution of streams when there is no effect upon the health and comfort of the individual.
>
> There are many examples of this, one outstanding example being the majestic Ottawa river which adjoins these parliament buildings.

I am sure all hon. members are familiar with the pollution problem caused by the discharge of sewage into the Ottawa river. The hon. member for Prince Albert also had this to say:

> I believe that in the realm of God's richest bounty clean river water should have a high place and ought not to be allowed to be sacrificed to private greed or to wanton and wilful pollution. There is nothing today in the law to protect the public against wanton and wilful pollution by a small minority who for their own purposes contemptuously disregard the public interest in so far as interprovincial rivers are concerned.

This matter is of great importance for all Canada, because I think every province has some interprovincial river running through it. I recognize the urgency of the subject under discussion. I am also concerned about the heavy expenditure which will certainly be involved in solving this problem. The cooperation of individuals at all levels of government will be necessary if pollution is to be eliminated. The bill under discussion makes it an offence for the owners of industrial plants and oil refineries, or other persons, to discharge noxious matter into an interprovincial water thus endangering the lives, safety, health or comfort of the public. This is a preventive measure. However, in order to correct existing conditions the installation of many filtration plants will be required. I believe financial arrangements will have to be worked out between all levels of government to this end, since the problem is one which is of enormous size.

The hon. member for Halifax (Mr. McCleave) speaking on the resolution I introduced on June 9, 1958, had this to say as reported in *Hansard* at page 975:

> I think it should also be pointed out to the house that one of the problems we are going to face in setting up this safeguard, and I hope we do, is a municipal one.
>
> Many of the municipalities will find it extremely difficult to finance sewerage and other large undertakings. They have found these projects difficult in the past with the result that many of the growing communities—and I have in mind particularly those in Halifax and in the Montreal area—have tackled the problem in a piecemeal fashion. There is a widespread use of cesspools, which sometimes stay within limits but sometimes, unfortunately, do not, thus causing great difficulties to those downhill.
>
> I think in proceeding on a resolution of this kind we must be very careful that we do not initially throw too great a burden upon the municipal authorities who are finding it difficult enough at the present time to raise the wherewithal to provide for their necessary services.

I agree with the hon. member for Halifax that many municipalities will find it difficult to finance these sewage treatment projects. The government recognized this at the last session of parliament when amendments to the National Housing Act were passed. Part VI B of the act deals with loans in respect of municipal sewage treatment projects and I should like to refer to that act for a few moments. Section 36F states:

> In order to assist in the elimination or prevention of water and soil pollution in any municipality the corporation may, with the approval of the governor in council, make a loan to a municipality or a municipal sewerage corporation for the purpose of assisting in the construction or expansion of a sewage treatment project.

Then the clause goes on to outline the various conditions upon which such loans may be made. The act also provides some incentive. The following clause, clause 36G states:

> Where the construction of a sewage treatment project in respect of which a loan is made under the authority of this part is completed to the satisfaction of the corporation on or before the 31st day of March, 1963, the corporation may forgive payment by the municipality or municipal sewerage corporation of
>
> (a) 25 per cent of the principal amount of the loan; and
>
> (b) 25 per cent of the interest that has accrued in respect of the loan as of the date of the completion of the project.

In addition, subsection (2) of that section states:

> Where the construction of a sewage treatment project in respect of which a loan is made under the authority of this part is not completed on or before the 31st day of March, 1963, the corporation may forgive payment by the municipality or municipal sewerage corporation of
>
> (a) 25 per cent of that portion of the principal amount of the loan that has been advanced to the municipality or municipal sewerage corporation as of the 31st day of March, 1963; and
>
> (b) 25 per cent of the interest that has accrued as of the 31st day of March, 1963, on the portion of the loan referred to in paragraph (a).

Thus, hon. members will readily appreciate that the government has recognized the financial difficulties which municipalities will face

in tackling this water pollution problem by installing filtration and sewage treatment plant.

The act from which I have quoted has already been of considerable assistance. I have some figures here which represent the situation up to December 31, 1961. To that date, the following projects had been approved in Manitoba:

Crystal City	$ 30,000
Gretna	33,000
Hartney	15,000
Morden	39,000
Portage la Prairie	107,000
Shoal Lake	32,000
Somerset	18,000
Total	$274,000

In addition, 18 preliminary applications or inquiries had been received and if these are approved they can result in loans totalling $1,200,000. The over-all picture for Canada to the end of December, 1961, is as follows: 144 projects were approved to a total of $39,936,000. From this hon. members can see that the cost of the projects already approved adds up to a substantial amount and certainly represents a very good start toward tackling this problem of water pollution.

It is extremely gratifying to be a supporter of this government headed by the present Prime Minister (Mr. Diefenbaker), the first government to take action with respect to water pollution.

At the resources for tomorrow conference which was referred to by the hon. member for Kootenay West (Mr. Herridge) extensive discussion on the subject of water pollution resulted in several recommendations being made.

I wish to close by repeating what I said earlier. Water is our most important natural resource. It is important to keep the water in our lakes and rivers clean and free of pollution. I take great pleasure in supporting the bill before the house.

Mr. Lucien Cardin (Richelieu-Vercheres): Mr. Speaker, I am happy to accept the invitation extended by the hon. member for Kootenay West (Mr. Herridge) of indicating the interest and support of the Liberal party with respect to the objectives sought to be achieved by this bill.

In his bleak exposé of the problem the hon. member cited examples of water pollution, particularly in British Columbia. The examples he gave I feel could also apply to all parts of Canada. I believe that all hon. members on all sides of the house and from all parts of the country will accept and support the principles and objectives of this bill. It seems to me we should be careful to ensure that our affection for and interest in the subject matter of this measure is not so excessive as to lead to our smothering the bill by talking it out. For that reason I propose to be extremely brief in my remarks.

On the order paper Bill No. C-13 is referred to as an act to amend the Criminal Code, and in parenthesis there appears the word "nuisance." That, to me, is a masterpiece of understatement. In my opinion the reference should be not to nuisance but to the sabotage of our natural resources.

I am sure hon. members in all parts of the house who live anywhere near water have been astonished and alarmed by the rate at which the water of our rivers is being polluted. I live in an area where water is extremely important. My home town of Sorel is situated at the junction of the St. Lawrence and Richelieu rivers. I have had ample opportunity to be alarmed by the increasing amount of pollution that is being experienced in both these rivers. I agree with the hon. member for Kootenay West that the federal government has certain responsibilities in this respect and can take certain steps to eliminate pollution. But if we wish to take effective measures to put an end to this sabotage there will necessarily have to be cooperation and understanding between federal, provincial and municipal governments. It is in the interests of each of the three levels of government to take immediate action in this regard.

Mention was made of the ways by which the water of our rivers is being polluted. Industrial waste and municipal sewage were referred to. However, there is another form of pollution which I feel comes directly under the responsibility of the federal government. I refer to pollution caused by ships emptying their bunkers before approaching large cities. This form of pollution is deadly. In the summer you can go along the St. Lawrence river and find all along the shore a film of oil about one quarter inch thick. Not only are our beaches contaminated by this deposit but the fish are affected and in our area the ducks are also gradually being killed off.

Another serious form of pollution is municipal sewage. The government introduced legislation to assist municipalities in constructing sewage disposal units but the cost is prohibitive and many municipalities are unable to purchase equipment. If we are to meet effectively the problem of pollution further assistance must be given the municipalities to help them assume their share of the work involved in preventing water pollution. As the hon. member for Kootenay-West said, the effective solution of this

problem will require co-operation among individuals, shipping companies, all levels of government and others.

I am not sure this bill will cover all aspects of the problem but I feel the house at this time should take an active interest in this matter. This is not the first time the subject of water pollution has occupied the attention of this house. As has already been mentioned the Prime Minister when sitting as a private member placed on the order paper similar motions. At that time he was keenly interested in having the federal government take the lead in putting an end to water pollution. Later, during the election campaign of 1957, the hon. gentleman had definite plans to bring pollution to an end. Speaking in Prince Albert as reported in the Prince Albert *Herald* of May 28, 1957, the Prime Minister said:

> Speaking about water pollution, Mr. Diefenbaker said: "We will never build great cities in this country unless there is legislation to prevent pollution of water".

And later:

> He told of the time he introduced a bill in the House of Commons which would provide for legal punishment of persons found contributing to water pollution. He promised that such legislation would be a major matter for consideration when "we form the government".

The party which is led by the hon. gentleman now forms the government but he has not as yet introduced legislation that would have the effect of putting an end to water pollution. The Prime Minister made a definite promise in Prince Albert. He cannot claim to have fulfilled that promise. I am not sure whether it is one of the 12 that have not been fulfilled, or whether it is one of the 70 general promises made in that period.

If water pollution was an important problem in 1957 is it not equally important in 1962 when the hon. gentleman is in a position to bring into effect legislation of the type about which he bragged in the election campaign? Water pollution is an even more serious problem now than in 1957. Every year there appears to be an increasing amount of pollution in the St. Lawrence and Richelieu rivers and I have no doubt this is true of rivers throughout Canada.

If the government is sincere and if the Prime Minister when he makes a promise intends keeping it, I can see no better way for the government and the Prime Minister to demonstrate sincerity and good faith than by taking action with respect to this bill or by introducing an even more comprehensive measure. I do not believe there is one opposing voice with respect to the objectives that are set out in this bill. I do not believe there is one person in the house who does not realize that our rivers are being rapidly contaminated and that our game and our fish are being rapidly destroyed. If everyone feels that this is so I cannot understand why action is not taken on legislation such as this.

In order not to talk this bill out, Mr. Speaker, I will now resume my seat.

Mr. E. J. Broome (Vancouver South): Mr. Speaker, I had originally intended to start off by congratulating the hon. member for Kootenay West on his extremely well developed sense of humour which I think led him into a bit of a trap. Before I come to that point however, I think I should refer to some of the things said by the hon. member for Richelieu-Vercheres (Mr. Cardin) who does not seem to be cognizant of the measures which have been passed in this house or, in fact, of what this bill means. He talks about the promises of the Prime Minister (Mr. Diefenbaker) and about nothing having been done. I listened to the hon. member for Selkirk (Mr. Stefanson) list what has been done, including the action taken last year under the National Housing Act, the money provided for sewage and pollution control measures. Not only was money provided but provision was made for a rebate of 25 per cent of capital and 25 per cent of interest on all the money expended up to March 31, 1963. Yet the hon. member for Richelieu-Vercheres says that nothing has been done.

I should like to refer him to the debate that took place on June 2 1961, in which, as reported at page 5800 of *Hansard* of that day, the hon. member for Saskatoon was speaking. He quoted an editorial which appeared in the Ottawa *Journal* of that date, as follows:

> Twenty five million gallons of raw sewage a day pour into the Ottawa river from Ottawa, its suburbs and federal government properties. This is soon to be remedied. The city hopes to have its $20,000,000 sewage treatment and disposal system in operation by April 1, 1963. The project, which had been talked about since 1944—

I would ask you to note the year, Mr. Speaker, namely 1944. What government was in power here from 1944 to 1957? Maybe the hon. member for Richelieu-Vercheres would like to look up some of the things that were said in those days. Maybe he would like to look up what his own minister said when the Prime Minister brought in this bill. Before he starts throwing any stones, I think he had better make sure what type of house he lives in.

What happened when that bill was passed? There was $7.4 million for a sewage project in Vancouver, $10.2 million for Ottawa; $1.9 million for Toronto, and so on. The hon. member for Selkirk said that up to date 144 projects worth $40 million had been approved, and that in his own province of Manitoba seven projects had been approved

and 18 projects were being given attention. Yet the hon. member for Richelieu-Vercheres says nothing has been done.

Then he talks about the emptying of bunker oil, debris jettisoning, the jettisoning of garbage off ships in the St. Lawrence. I have spoken about this sort of thing in the harbour of Vancouver where windrows of it can be seen. He does not seem to realize that the Fisheries Act which applies to navigable waters or a portion of these waters, and to a portion of the seashores, has been amended by this government in order to put teeth into it. I suggest that the hon. member had better start taking a look at things and finding out what the thing is all about.

Mr. Cardin: Mr. Speaker—

Mr. Broome: Just a minute. The hon. member spoke about not wanting to talk the bill out. We have other members who wish to speak on it. I wish to deal with the bill itself right now.

The bill itself talks about interprovincial waters and that is all this bill deals with. It makes provision for dealing with a definite situation in interprovincial waters. Interprovincial waters are the rule on the prairies. I would ask the hon. member for Kootenay West what interprovincial waters there are in British Columbia? I am not going to talk about the Peace river. We have political pollution there. I am talking about the majority of the waters in British Columbia. What about Ontario, Quebec, Nova Scotia or New Brunswick? This bill does not even give a time when it is supposed to come into effect. As I said, I think the hon. member for Kootenay West has been led down the garden path by his own well developed sense of humour. Although the Prime Minister put this in, it is not the solution to the problem. The problem is a real, vital and important one for the people of this country. I refer to water pollution.

Mr. Herridge: We did not say it was the solution. We said it was one thing we could do.

Mr. Broome: All right. I am glad that the hon. member for Kootenay West has come to the point where, no matter how far in the past the Prime Minister has made a suggestion, he automatically accepts the entire validity of whatever has been said and will follow John. I know he is coming very close to this party, just as his leader may be coming closer to the official opposition. We will welcome the hon. member for Kootenay West whenever he wants to come over to this side of the house. However, if he had read the speeches of the Prime Minister, he would know what he was aiming at at this point.

I say that the government has been taking action to correct water pollution and that it has been doing so in a way which has been effective. I say that the government will continue to take action to correct it. However I do not see that this bill will do it. For instance let us consider a river such as the Saskatchewan and the hundreds of small communities which lie along that river. Immediately this bill comes into effect every one of those communities is under a fantastic penalty. The record is clear. The hon. member for Selkirk made it clear that these communities, one after the other, are within the limits of their financial resources moving in a way in which they have never moved before in order to take care of this problem of water pollution. This is the way in which it will be done. This is the way in which that particular problem will be cleaned up. However, there are many others in existence. There is the problem of disposal of industrial waste. This material can be even more of a peril than sewage, particularly to fish life.

I wanted to answer the hon. member for Richelieu-Vercheres, Mr. Speaker. I also wish to say that the members who speak on this bill are not trying to talk it out. We are trying to bring intelligent criticism to bear on the bill. We recognize the problem. We also recognize and give credit for what the government has done. I suggest to the hon. member for Richelieu-Vercheres that his speeches would be far more effective if they were a little bit more reasonable and if they recognized a few of the things that have been done. Having done that, let him then make his constructive criticism, if he has any.

Mr. Cardin: I wonder whether the hon. member would permit a question, Mr. Speaker.

Mr. Broome: I am sorry, but the answer is no. All right, go ahead. What is the question?

Mr. Cardin: My question is this. Since there is an increasing amount of pollution in the waters of Canada, does the hon. member not agree that government action in this respect is insufficient and incomplete?

Mr. Broome: No matter what action is taken by any government it would not completely cure the malady. There are financial limitations. However, what I have said is that the government is moving effectively and quickly. The condition is not worsening. Perhaps it is not as good as it should be but at least I believe an improvement is taking place.

Mr. Cardin: Pollution is increasing.

Mr. J. C. MacRae (York-Sunbury): Mr. Speaker, I should like to enter this debate briefly. Os do all hon. members in this house I am sure most thinking Canadians realize that pure water, our greatest natural resource,

will in a few years be in a position of critical shortage. I should like to compliment the hon. member who brought this bill before the house, because I think it is a most timely one. I commend his common sense in bringing in one that was originally sponsored by the right hon. gentleman who is now the Prime Minister (Mr. Diefenbaker).

I should like to suggest to the hon. member for Richelieu-Vercheres (Mr. Cardin) that if, as he says, the Prime Minister has suggested that his government would be dealing with the problem, it will be dealt with. I say to him that after all we have anywhere from another eight years to 16 years in which this present government can still deal with it. Hence it should be well taken care of in good time.

I should like to put on the record this fact. It seems to me that under the British North America Act rivers—and of course, that is where our pollution is—are the responsibility of the provinces. In 1960 the committee on mines, forests and waters took a very careful look at this question. The Hon. Alvin Hamilton, speaking on Tuesday, March 22, 1960 had this to say:

> South of the 60th parallel, the responsibility to develop streams and waters is primarily that of the provinces. They must plan to develop domestic and industrial supplies of water. Irrigation, power, flood control, abatement of pollution,—

This is what this bill covers.

> —recreational uses of water are the provinces' prime responsibility. The federal government, in turn, has a responsibility to protect and develop inland fisheries, to protect the navigability of streams and, by virtue of its jurisdiction in agriculture, a responsibility to ensure an adequate supply of water for agricultural purposes. In the international field, the federal government has a responsibility to ensure that boundary waters are not polluted to the detriment of health.

I became interested in this particular subject many years ago when living on the banks of a beautiful river in northern New Brunswick, the Restigouche. I saw how that river, famous for its Restigouche Atlantic salmon, was being polluted by industrial waste and by the raw sewage of the towns on its banks. Then, a few years later when I went to live on the St. John river, the Rhine of America, again I saw the same situation. This river, one of the most beautiful in our whole country, has now reached a point where youngsters can no longer swim in it. It is now, completely impossible to drink water from the St. John river unless it is chlorinated. Pollution has reached the point where even the fish population seems to be dying off.

What is happening? First of all, pollution from a number of pulp mills and other plants, raw sewage from cities such as Fredericton and Edmundston. About a year ago provision was made by this government to aid municipalities in the construction of sewage treatment plants. Unfortunately, no city in New Brunswick took advantage of that legislation. However, when the camp Gagetown project was built—it now has 11,000 people—provision was made for a sewage treatment plant, the only one of its kind in the whole province. As I have said, the river is being slowly but surely killed by industrial wastes, by bark from pulp and from raw sewage.

I was most interested a few nights ago in watching a television program in which the hon. member for Jacques Cartier-Lasalle (Mr. Pratt) participated. He pointed out how that portion of the St. Lawrence river and the beautiful Ottawa river were being destroyed. The hon. member for Lambton-Kent (Mr. Campbell) was telling me a few minutes ago that the river beside which he lives in Ontario, the Sydenham, has been almost completely polluted.

Where does the solution to this problem lie? It seems to me that legislation will have to be passed that will force industrial plants to purify their waste material. In the committee that I mentioned earlier, there was a representative of the Cities Service Oil Company who told us his company had established its own filtration plant. After their wastes had been treated, the water was almost pure enough to drink. I felt at that time it was a much better idea for a company to spend part of its profits in this way than in most of the ways in which companies do spend money on advertising. What about our own beautiful St. John river? For many years it has been urged by capable and thinking men in my part of Canada, especially Mr. R. A. Tweeddale, general manager of the New Brunswick electric power commission, that there should be a St. John river authority to deal with all problems such as this. This particular idea has been strongly supported by our local newspaper, the daily *Gleaner*. I think it is most commendable. I think that is the point that will rapidly have to be reached if we are to save the fish that are in our rivers and if we are to prevent our rivers becoming open sewers. I commend the hon. member for Kootenay West (Mr. Herridge) upon his introduction of this measure before the house.

Mr. John Pratt (Jacques Cartier-Lasalle): Mr. Speaker, I have spoken on this subject before and I imagine that my views are well known to the house. I agree completely with

the hon. gentleman who has sponsored this bill and I am convinced that his objectives are of the highest. I agree in principle that the bill is serving a good purpose. There is, however, one section of the bill to which I would take exception. I refer to the section which speaks of a person who discharges any noxious waste product into a river, stream or other water any part of which is interprovincial which has the effect of endangering lives or safety, rendering himself guilty of an indictable offence and liable to a fine of $25,000. It seems to me, Mr. Speaker, that this might lead to more trouble than the bill is intended to prevent. As I have said in a previous speech on this subject, the making of such an offence a criminal offence would, in effect, make a poor soul who flushed a toilet responsible for a $25,000 fine.

Speaking on behalf of my own city of Dorval which has been making provisions steadily, I might say that my municipality is very well advanced with plans. We have chosen a site for the construction of a sewage disposal plant. Certainly many municipalities have expressed great appreciation of the legislation introduced by this government in 1960 which provided for loans, as hon. members know, covering two thirds of the cost of those plants at a very low rate of interest over periods as high as 50 years. Provision is made also for an outright grant of 25 per cent of the cost of any work which is done before the end of March 1963. I understand that the city of Vancouver has already submitted plans for a scheme covering something like $7.5 million. I understand the city of Ottawa also is taking advantage of these grants.

Nevertheless, I think basically the responsibility for ensuring that we do not suffer from the pollution of our waters is a provincial responsibility. I think the federal government has done what it could, that it is now up to the provinces to see that sewage disposal plants are built and that advantage is taken of legislation which is already on the statute books.

Mr. Speaker: The hour for private members' business having concluded the house will revert to the business which was interrupted at five o'clock.

CANADIAN NATIONAL RAILWAYS

CONSTRUCTION OF BRANCH LINE BETWEEN MATANE AND STE. ANNE DES MONTS, QUE.

The house resumed consideration in committee of the following resolution—Mr. Balcer—Mr. Martineau in the chair:

That it is expedient to introduce a measure to authorize and to provide for the construction and operation on behalf of Her Majesty of a line of railway in the province of Quebec, between Matane and Ste. Anne des Monts, a distance of approximately 57 miles; to provide also that the governor in council shall pay to the Canadian National Railway Company an amount equal to the cost to the said company of constructing the railway line (including the cost of survey of location and the cost of acquisition of the land required for the railway line) not exceeding in any case the sum of $16,100,000.

[Mr. Pratt.]

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

(Translation):

Mr. English: Mr. Chairman, this house has before it not only one of the most important measures, but one that is vital for the survival of the Gaspe peninsula. I am quite moved as I rise to take part in the debate on this resolution and to act as the voice of a population which has always fought loyally and sincerely, not asking for handouts, but for a project which is essential to the development of an area which has for so long been ignored and neglected.

Mr. Chairman, Jacques Cartier landed at Gaspe in 1534. Some 400 years later, in 1952, Gaspe Copper Mines Limited, a subsidiary of Noranda Mines Limited, founded the first mining town on the north shore of the Gaspe peninsula. The town was called Murdochville for the president of the Noranda Mines Company, Mr. J. William Murdoch. Over 1,200 people find work there and we are at one in acknowledging this attractive little town as the queen of the Gaspe peninsula.

Mr. Chairman, do you not find it amazing that it took more than 400 years for a mining corporation to settle in the Gaspe peninsula and make the people benefit from the immense resources placed there by Divine Providence? Around Murdochville, corporations own lands just as rich, if not richer, than those owned by the Gaspe Copper Mines. And just to prove my point, let me mention some of them: the Federal Metal Corporation, owned by East Sullivan and Consolidated Mines Limited, Miller Copper, Dubuisson Mines Limited, Lake Opawica Mines Limited, Macdonald Mines Limited, Thompson Mines Ltd., Copra Mines Limited, Christie Base Metal Limited, etc.

All those companies were waiting for the construction of the railway to start operating their mines.

The known mineral resources on the north shore of the Gaspe peninsula are as follows:

90 million tons of yellow copper; 40 million tons of red copper; 20 million tons of zinc; 6,400,000 tons of chrome; 4,500,000 tons of aluminum oxide; 23,125,000 tons of manganese, asbestos, nickel, gold and silver.

The contents of the samples extracted so far from the mineral resources on the north shore of the Gaspe peninsula is as follows:

Yellow copper	9.71 per cent
Red copper	22.32 per cent
Zinc	21.10 per cent
Lead	19.90 per cent
Chrome	18.21 per cent
Nickel	6.71 per cent

Aluminum oxide—

An hon. Member: Oh, oh.

Mr. English: Mr. Chairman, I note that my list makes one of the hon. members opposite laugh; I think he should rather listen carefully, because when it is a question of development in the province of Quebec, I wonder why he is against it. I understand that he is not from Quebec but, just the same, he should show Quebec members the same courtesy we show members from the other provinces.

And to continue with the table:

Aluminum oxide	21.58 per cent
Limestone	84.31 per cent
Molybdenite	11.43 per cent
Silver	9.11 per cent
Gold	7.9 per cent

Mr. Chairman, after hearing about the mineral wealth of the Gaspe peninsula, can there be anyone in this house—including even that hon. member who does not seem to take any interest in the problems of Quebec—can there be anyone in this house who cannot say down in his heart that it is unbelievable that such a rich area of our country should have been deprived so long of appropriate means of transportation and that such a hard working population should have suffered so long from that situation?

Hardships are not unknown to the people of the Gaspe peninsula, and if it is true that one is all the nobler for his hardships, the people of the Gaspe peninsula are surely the noblest people one can find.

The Gaspe peninsula is also quite rich in forest resources. Following a survey conducted by Mr. L. P. Peloquin, who was chairman of the industrial committee of the Matane chamber of commerce, we find in his report the following information. In the area to be served by the Matane-Ste. Anne des Monts line there are: 129 saw mills in operation; 41 wood finishing mills; 49 sash and door mills; 87 general repair and machine shops; 11 cold storage plants with a total capacity of 300 tons; 32 ice-houses for the storage of fish; 5 fish treatment plants.

Annual production of sawn timber and lumber: 161,417,111 board feet; annual production of shingles: 13,119,113 feet; annual production of pulpwood: 412,145 cords; annual production of cedar posts: 7,110 units; annual production of lathing: 31,609,224 feet; annual production of lengths of wood: 2,856,-117 feet; annual production of Christmas trees: 21,331 units; annual production of wood by-products 2,408 tons.

Number of garages where automobiles and trucks are repaired and sold: 209; number of merchants on the north shore of the Gaspe peninsula: 613.

Let us take now the general goods received in the northern part of Gaspe peninsula:

Lumber: 16,208,457 feet; bricks and cement bags, farm equipment, building materials, flour, grain, gasoline, oils, sugar, dry goods, meat and livestock, automobile parts, etc. amount to about 481,590 tons.

The shipping of these goods alone would justify the building of the railway.

Ungava transport operates a daily ferry service for passengers and freight between Ste. Anne des Monts and Seven Islands. After a few years of operation this service has developed to such an extent that the first ferry had to be replaced by a larger one.

It is interesting to note that in 1958, over 8,000 people used that fast, regular service from Ste. Anne des Monts to travel between the Ungava district and the industrial centres of Ontario, Quebec and the maritimes. Since 1956 this figure has gone up considerably, and once the railway is built this service will expand and promote great economic development between the north shore and the Gaspe peninsula.

Speaking of the first ship which provided a regular service between Ste. Anne des Monts and Seven Islands, I must say that this ship which gave excellent service is operated by Ungava transport whose president is Mr. Jourdain, a Gaspe businessman.

The first ship which undertook that service in 1958 could carry 50 passengers, three automobiles and 100 tons of cargo. In 1960, it was replaced by a new ship with a total capacity of 100 passengers, 35 automobiles and 800 tons of cargo. That year it transported 14,000 passengers, 3,000 automobiles and 7,000 tons

of cargo including 6 million feet of lumber from the Gaspe peninsula. If it was able to transport that much lumber, a railway will carry an even greater volume once the railway is built.

Mr. Chairman, I should now like to illustrate the development possibilities of the Gaspe district.

I have already mentioned the numerous mines which are to be found in that part of my riding. In that connection, I should like to read to the house a letter which was sent to Mr. Roland Gagnon, a young industrialist of the Gaspe peninsula who is largely responsible for the construction of the railway between Matane and Ste. Anne des Monts. Mr. Chairman, I would ask those who are not convinced that a railway is necessary in the Gaspe area to listen carefully to this letter which should certainly make them change their minds:

September 9, 1960

Mr. Roland Gagnon,
Cap Chat, Que.

Dear sir:

Further to our telephone conversation, I am pleased to confirm the following information.

Solbec Copper Mines Limited is a new subsidiary which is developing copper and zinc deposits in the Black Lake district, in the eastern townships. It is expected that the annual production will amount to nearly 20,000 tons of copper concentrate.

We do not fail to realize that the Gaspe copper refinery might be the proper place for treating our ore, if that plant were not completely isolated by a lack of communications. We believe that it is unfortunate for the district of Gaspe and also for eastern Quebec, that such a lack of communications more or less occasions treatment of our concentrates outside this country, that is in the United States or in Europe. We shall welcome the building of a railroad across the peninsula for many reasons such as have been mentioned earlier today: the eventual development of some zinc and lead deposits of the Federal Metal Corporation; mining possibilities in the Gaspe area and in eastern Quebec, which are still practically unexplored.

We remain at your disposal for further information if required.

Sincerely yours,

East Sullivan Mines Limited,

Andre Beauchemin,
Secretary Treasurer.

Mr. Chairman, may I point out the splendid part played by Mr. Pierre Beauchemin in the development of mining in the province of Quebec.

As far as the forest industry is concerned, I also would like to read a letter addressed to the chamber of commerce of Gaspe North, at Ste. Anne des Monts, attention of Mr. Fernand Leblanc, secretary. Incidentally, I would like especially to commend this chamber of commerce for their outstanding work and the magnificent support given to the project. I quote the letter:

To the chamber of commerce of Gaspe North, Inc. Ste. Anne des Monts, P.Q.

Dear Sirs—

Attention: Mr. Fernand Leblanc, secretary.

It has been brought to my attention that you were making representations in order to have extended the railway line which ends at Matane along the north shore of Gaspe, and our company supports your efforts for the following reasons, which I shall explain briefly.

For the past three or four years, the use of wood waste as raw material for pulp and paper has developed to such a degree that it is now in our mutual interest that our industry and the saw mills get together—we being buyers of such waste and the saw mill operators being suppliers of wood fibre which it is becoming more and more difficult to obtain.

In your area there are several saw mills which would be interested in transforming their waste into fibre for our mill here in Three Rivers. There are, among others, the following companies: Jas. Richardson Company, Tourelle Lumber Co., and A. Couturier et Fils with whom we have negotiated. However, we always had to face the transportation problem. These three mills would have about 35,000 tons of waste to sell immediately and, once this market is established, this quantity could easily be doubled in your area.

The construction of a railway from Matane, with reasonable freight rates, would solve the transportation problem and would create in that area a market which would be beneficial both to the buyer and the seller.

We hope that your efforts to obtain this railway will be successful and we are anxious to know what comes out of your negotiations.

Yours very truly,

St. Lawrence Corporation Limited,

L. L. Wetmore,
Manager.

According to economists, the railway between Matane and Ste. Anne des Monts must accompany and precede progress. If it comes after, it is late, and the consequences are felt by the economy and the industry, and unemployment runs high among our good Gaspe families.

On March 17, 1949, Mr. S. M. Fairweather, vice president of the Canadian National, made the following statement in a speech delivered in Toronto:

A railway must be considered in relation to the economy of the country, for it is essential to the prosperity of the state and it gives birth to wealth. Those of us who live in the big cities might not see it, but the miner, the lumberman, the fisherman and the farmer are fully aware of the usefulness of a railway. We discover every day new resources and new fields of activities where development is made possible by the railway which is as important to the state as arteries to the human body.

Mr. Gordon, president of the Canadian National, voiced the following opinion:

In a country like ours where distance is a main factor in the cost of products, one cannot consider the development of our natural resources without thinking of a railway.

The Canadian National Bank, in its monthly report for February, 1959, had this to say:

Why defer the construction of the Matane-Gaspe sector, which would serve such an interesting area—

On page 12 of *Commerce et Communication* of November 28, 1961, we read the following:

Will Gaspe North have its railway at last? The transactions relating to the sale of the railway between Mont Joli and Matane are nearing completion, and it seems that the project of extending this line up to Ste. Anne des Monts is being seriously considered in government circles in Ottawa. It is easy to understand the importance of that railway improvement in the Gaspe peninsula since Ste. Anne is the ferry terminal to Seven Islands. For the past fifty years, everyone has been beating around the bush, always shelving that project, and this piece of news is greeted with great enthusiasm by present and future industrialists and businessmen of the area and also by the population.

The Gaspe peninsula is one of the least developed areas of the province. Yet its industrial potential does not warrant such a situation. The main weakness in the regional organization seems to be the lack of main lines of communication, such as railways. However, it appears that the federal government, at long last, has concerned itself with the famous Gaspe railway project which is to be announced shortly.

Everyone knows that the extension of the railway from Matane to Ste. Anne des Monts has been, for the last 20 years at least, the subject of numerous representations on the part of members of parliament and people of that part of the province.

I also wish to refer to a letter, which is not recent, addressed to Mr. Gagnon, promoter of the project, on March 30, 1959 by Canon J. A. Saint-Laurent, chaplain, and I quote:

Dear Sir:

I see in *L'Action Catholique* of March 28, 1959, that you are actively interested in the extension of the railway from Matane to Ste. Anne des Monts.

Why not as far as Gaspe?... While I was in charge at Cap Chat, from November 18, 1911...

Note the date.

...to October, 1912, temporarily replacing the good father Dufour, who had died suddenly, the question of this extension had been mentioned for a long time, but... as far as Gaspe.

The question was basically about the possibility of getting there through Ste. Anne from the north. A survey had been made and it could be easily done.

There was a persistent rumour to the effect that the railway from Matane would rather be extended along the river, running across the good lands given by Quebec as a grant to the company. There was thus a question of private interests involved.

I was aware of that rumor and able to meet with both the engineers from Ottawa and Quebec, at an appointed date, in the Cap Chat rectory. The discussion was soon on the extension of the railway from Matane to Gaspe, through Ste. Anne.

By the end of the evening, the federal engineer stated:

"I had not yet completed my survey when I was summoned to Ottawa. All I had then was an approximate layout and reported it was impossible to reach Gaspe through Ste. Anne." The first report was therefore cancelled.

I arranged with the parish priest of Ste. Anne to have the leading parishioners of both political parties meet at the rectory and this was done. We also had with us four of the most interested members of parliament.

All agreed to have a third survey made, complete, this time—in order to clear up the matter. But what about the costs? All county councils will be called upon to pay for those costs on the basis of their population. The devoted Mr. Emile Cote, a merchant of Cap Chat, agreed to pay for those who would not keep their pledge. All county councils readily signed the ready-made form.

The survey was made. The report showed a complete possibility. The costs would amount to $15,000; which were paid by Ottawa.

Now that we have Murdochville do you not think, sir, that you stand a better chance? You have the ready co-operation of Baie des Chaleurs, on account of the numerous industries which would be established in the Gaspe peninsula.

Good luck in your fine work for the development of our Gaspe peninsula.

Devotedly yours in Our Lord
Canon J. A. Saint Laurent, priest,
Chaplain.

Mr. Chairman, the Hon. Charles Marcil indeed referred to the Gaspe railways, at the time. He is a former member for Bonaventure. The Hon. Rodolphe Lemieux took the floor in the house and asked for the construction of railways in the Gaspe peninsula. My predecessor also talked about that here in this house, and demanded a railway. And I shall always remember what he said in closing his speech: "My dear colleagues, the fate of the Gaspe peninsula is now in your hands."

And I can well remember the words of the bishop of Gaspe, Mgr. Ross, asking for a railway. I recall also the words of Mr. Taschereau who was then premier of Quebec. He used to say and repeat exactly the same words: "It is up to you, gentlemen of the Canadian National Railways, to think of the Gaspe peninsula."

Mr. Chairman, I have put forward the needs of my area, in this house, and I think it was my duty to do so as member for that district, but I have always done so, regardless of petty politics, because the interest of a province and of a constituency must be placed above political meanness.

Mr. Chairman, I also remember very well that here in this house the hon. member for Bonavista-Twillingate (Mr. Pickersgill) has

very often blamed the Prime Minister for his trips across the country. I should like to remind him that in 1960 the Gaspe peninsula had the great honour of welcoming for the first time in its history the leader of the federal government. The Prime Minister wanted to see for himself what were the needs of that area and get acquainted with the people who have suffered for so many years and who are only asking to be treated fairly. He met those people, he offered his help and I am proud to say that two years after this historic trip to the Gaspe peninsula, we are getting what we have been asking for for 300 years, that is, a railway in the Gaspe area.

The Chairman: I regret to interrupt the hon. member but his time is up.

Some hon. Members: Let him go on.

The Chairman: With the consent of the house, the hon. member may continue his speech.

Mr. English: I wish to thank the house. I should not want to abuse the time at our disposal, but it seems to me that there is no abuse in devoting a few minutes to an area which well deserves it and for which I have always done and will always do the best I can.

Mr. Chairman, before closing, I should like to express my thanks, first to the most humble people, the workers, the fishermen of my province, those who, in 1957, sent me here to this house to plead a worthy cause, not only that of the railways, because a railway in itself is of little meaning, but that of the general development of a region recognized as one of the richest and most promising.

I wish to thank most sincerely the chambers of commerce of my constituency. I need not refer to the numerous resolutions sent to me by chambers of commerce, municipalities and economic organizations requesting this railway or asking me to work on their behalf. There are many such resolutions, as you can see. I should like to show you here requests sent to me by the people of Gaspe to ask me to plead for them.

I thank the chambers of commerce for their help. Without them, I could not have worked so efficiently. The chambers of commerce of my constituency are free from all political ties. I feel sure that all hon. members agree with me that we get much encouragement in our work from these organizations, in the way of information and advice, which is something I appreciate.

[Mr. English.]

I also thank the clergy of Gaspe for the constant support it has given me. I thank all our industrial leaders. My thanks also to all the municipalities, to all public bodies.

I should also express my very special thanks to the Minister of Transport, the sponsor of the bill, who will always be remembered in Gaspe.

I should not want to overlook his predecessor, the present Minister of Trade and Commerce (Mr. Hees), who was also interested in this improvement when he was minister of transport.

I should also like to thank my colleagues, the members for Matapedia-Matane, Rimouski, Bonaventure and Magdalen Islands (Messrs. Belzile, Morissette, Grenier and Keays) who have seconded my efforts.

Before closing, Mr. Chairman, I should also like to thank the hon. member for Laurier (Mr. Chevrier) who stated this afternoon that his party would support this project. Indeed, I am sure all hon. members will vote in favour of this resolution.

I do not intend to linger on this subject but I should like to refer to certain statements made by the hon. member for Port Arthur this afternoon. While he stated that this project was not within provincial but rather federal jurisdiction, the hon. member wondered why a construction project concerning the Gaspe peninsula had been chosen. Well, if the hon. member had better knowledge of history, he would be aware of the fact that the Gaspe peninsula is the oldest part of this country and that this construction project of a railway line was contemplated long before the other projects he mentioned. Gaspe is one of the richest regions with an outstanding mining and lumbering potential.

The hon. member should also know—and that is not my fault—that the Gaspe people never quit and will never rest till the projects they have suggested are carried out.

Mr. Chairman, I should like to add a word of thanks to the press, because since the question of building a railway in the Gaspe peninsula has come up, the Quebec papers have given it an excellent coverage which I am sure has largely contributed to the realization of this project.

Finally, I should like to thank everyone.

Mr. Belzile: Mr. Chairman, I do not want to prolong unduly the debate on this resolution. The bill which is to be submitted to the house

concerns my own riding particularly, since 30 of the 57 miles of railway to be constructed will run within the limits of my riding, I feel that I should say a few words on that subject.

This resolution and the bill which will follow are of great interest to me. On the other hand, the answer given by the Minister of Transport (Mr. Balcer) to the question I asked last Friday was not irrelevant, since he said:

I know that my hon. friend has always been interested in that project—

In fact, Mr. Chairman, this project of constructing a railway from Matane to Ste. Anne des Monts, in order to extend the one that already exists between Mont Joli and Matane, a project which is about to be carried out, goes back many years. It is one of those about which a lot has been written and said.

As for myself, during the 1958 electoral campaign, I often had the occasion to talk about that project, not to promise the railway, but rather to state that I was committing myself to work for its realization.

That is why, as soon as I came to the House of Commons, in 1958, on May 23, to be precise, when taking part in the debate on the speech from the throne, to prove my firm intention to work on that project, I made the following remark, which can be found at page 411 of the official report for May 23, 1958:

Before concluding these remarks, may I be allowed to point out to hon. members that the area commonly called the Matapedia and Gaspe valley is part of Canada, that the people of this vast and recent section of the country pay taxes to the federal government and contribute to the building up of our homeland, and therefore are entitled to consideration on the part of the federal government.

It was an area that was very much neglected by the former administration which, fortunately, now is sitting on the other side of the house.

In the field of public works, I strongly support the project of my colleague, the hon. member for Gaspe (Mr. English), providing for the extension of the Mont Joli-Matane railroad to Ste. Anne des Monts.

This being said, Mr. Chairman, I would now like to suggest to the house that the question of the construction of a railroad in the Gaspe peninsula has been discussed for a long time. The project has been a topic of current interest for 75 years. The figure may seem enormous, but let me quote an editorial of *La Minerve* for Monday, September 12, 1881. That article is doubly interesting for it deals not only with railway lines, but it would be a timely topic in the Gaspe peninsula even today though it could be called an historic document. May I quote the editorial:

The Gaspe peninsula is a special part of French Canada the same as Magdalen islands or the former Acadia (which is part of Canada since 1867). It is hardly known in the province of of Quebec proper. Formerly it was a special governorship which had very few contacts with the governorships of Quebec, Three Rivers and Montreal which constitute a compact homogeneous group. In our times, contacts have become more frequent but have never reached the degree of intimity and perfect uniformity which marks the contacts between the other districts of the St. Lawrence.

The Gaspe peninsula and its people are still in our opinion a sort of far away colony of separate brethren, quite like the Acadians.

That is due first of all to the distance—the Gaspe region is a hundred leagues away from Quebec city—and to the lack of communication through part of those one hundred leagues.

The Gulf and Intercolonial Steamers line brought the Gaspe peninsula closer to Canada and the rest of the continent. But a seaway is not too important and the railway is still far away from the real Gaspe region. Men who came from central regions to settle in those far away places and to dedicate themselves to the development of the region—like Dr. Fortin and Dr. Robitaille—have done more than all that to make us known to the Gaspe people and to acquaint us with them.

Besides, as long as railway communications are not further extended, that is as long as one cannot travel by train right to Perce, the head of the Gaspe peninsula, we cannot expect that those relations will improve substantially.

It would be beneficial, however, to the people of the Gaspe peninsula if its isolation should come to an end. They would have everything to gain especially if they were to develop a liking for agriculture in addition to engaging in fishing, an inexhaustible industry, but which today makes only employers wealthy and keeps workers in a state of serfdom and poverty.

And now, Mr. Chairman, coming back to a more recent period and especially to the project now under discussion, I should like to tell the house that two former Liberal members for the Gaspe peninsula, that is the member for Gaspe, Mr. Langlois, and the member for Matapedia-Matane, the late Philias Cote, were interested in the same project. Incidentally, reading *Hansard* I came to the conclusion that it was a pity that the government of that time did not find it appropriate to consider their request and accede to the wishes so aptly brought forward by these two government members.

By doing so, the Liberal government not only deprived those two members of the credit they would have gained through their joint efforts, but also, by neglecting to face the problems, it deprived the Gaspe peninsula of the means of transportation it was entitled to, contributed largely to delaying its economic development and caused considerable harm to the population of the Gaspe peninsula as a whole.

In fact, on April 19, 1950, Mr. Leopold Langlois, member for Gaspe, submitted to the house the following motion:

> That, in the opinion of this house, early consideration should be given by the proper authorities as to the advisability of extending railway communications from Mont Joli, county of Rimouski, to the Gaspe peninsula via Matane, county of Matapedia-Matane, and Ste. Anne des Monts, county of Gaspe.

I also wish to quote the late Mr. Philias Cote, member for Matapedia-Matane, as found on page 1697 of *Hansard* of April 19, 1950:

> I do not want to emphasize any of the angles that have been so brilliantly expounded by my colleague. I believe it is not necessary to say much more to establish that the development of this region is of national importance, that the development of a railroad there is of national importance, and the same thing should be done for Gaspe, with its more brilliant prospects, as was done for Churchill.
>
> Mr. Martin (Essex East): This is impossible.
>
> Mr. Cote: This will not wait that long.

Poor Mr. Cote, how wrong he was; unfortunately for him, his government waited so long that he died in the meantime and never had a chance to see Mr. Graydon's prediction come true, namely that it was necessary that the Conservative party take office in order that the demands of those two members be satisfied.

Unfortunately, too, for the Liberal party, which always had counted on Gaspe as a vested riding, because its red army was seen to collapse and lose all the seats they retained on the lower St. Lawrence and Gaspe.

Yet, Mr. Chairman, the two events I just mentioned, that is, the premature death of Mr. Cote, and the defeat—or should I say say the downfall—of the Liberal party are of secondary importance compared to the considerable damage to the whole population and, more particularly, to the people of Gaspe, through the carelessness and neglect of the former government.

In order to give a brief history of the project, may I point out that the fathers of confederation were so keen on obtaining the assent of the maritimes to their confederation project that they had to promise them a railway which would link them to the great central provinces of the country.

It was in fulfilment of those promises that the Inter-Colonial was built, and that is why the railway, instead of following a straight line, turns off at Mont Joli toward the maritimes, and the north shore of the Gaspe peninsula is isolated.

It is therefore patent that private initiative alone made the Gaspe peninsula what it is today.

Industrialists, businessmen, farmers and fishermen, who are handicapped by inadequate means of transportation, nevertheless made some progress.

Mr. Chairman, this is a long peninsula which extends for 150 miles between the St. Lawrence river, to the north, and the Baie des Chaleurs to the south. It is covered with mountains and forests and has a central plateau.

On the south side of the peninsula, a C.N.R. branch line runs along the Baie des Chaleurs shore from Matapedia to Gaspe. Therefore, the north shore of the peninsula is deprived of railways, to the exception of the section from Mont Joli to Matane, which is served by the Canada Gulf Terminal Railway.

The main industries of the peninsula are lumber, fishing and mining.

Needless to add, Mr. Chairman, that the announcement of the railway from Matane to Ste. Anne des Monts in the speech from the throne was enthusiastically welcomed by the great majority of voters in my riding. However, some of our political opponents, in order to minimize this government's action, are trying to impute some utterly unfounded intentions to us which in no way formed the basis for this bill.

In order to prove to the house that this project was in keeping with the wishes of the population, may I mention various public bodies, as well as some personalities, who unequivocally expressed their desire to see a railroad built from Matane to Ste. Anne des Monts.

I shall now quote a few public organizations and name some individuals in this respect:

> Resolution of the municipality of Capucins, Matane county.
>
> Resolution of the corporation of the county of Matane.
>
> Resolution of the municipal corporation of the village of Mont St. Pierre.
>
> Resolution of the city council of Rimouski.
>
> Resolution of the St. Norbert de Cap Chat parish.
>
> Resolution of the municipal corporation of Baie des Sables.
>
> Resolution of the municipal council of Les Mechins.
>
> Resolution of the municipal council of the village of Ste. Felicite.
>
> Resolution of the municipal corporation of the town of Mont-Joli.
>
> Resolution of the municipal corporation of Sainte-Marie-Madeleine, of Rivière-Madeleine.

Resolution of the municipal corporation of the village of Cap Chat.

Resolution of the town council of Matane.

Resolution of the municipal corporation of Grand Metis.

Resolution of the municipal council of the parish of St. Octave de Metis.

Resolution of the municipal council of Ste. Anne des Monts.

Resolution of the chamber of commerce of Gaspe North Incorporated.

Resolution of the chamber of commerce of Matane.

Resolution of the chamber of commerce of Amqui.

And I should like to quote here the names of some members of a delegation which came to Ottawa to support the project. This is the list of their names:

Rev. A. Bourdages, canon, and parish priest of Ste. Anne des Monts.

Fernando Châteauneuf, chairman of the chamber of commerce of Gaspe North.

Dr. J. Matte, representing the chamber of commerce of the province of Quebec.

Henri Labrie, director of the chambers of commerce of the lower St. Lawrence.

Benoit Gaboury, mayor of Mont Joli, chairman of the economic planning council of the lower St. Lawrence.

Alphonse Couturier, member for Gaspe North at the legislative assembly.

Clement Cote, chairman of the chamber of commerce of Matane.

Col. Jos. Pineault, chairman of the chamber of commerce of Mont Joli.

J. Lafond, chairman of the North Gaspe Mines, Marsoui.

Dr. J. Emile Rioux, physician-surgeon, chairman and founder of the chamber of commerce of Gaspe North.

Romuald Rioux, mayor of Ste. Anne des Monts, director of the economic planning council of the lower St. Lawrence.

Louis Landry, ex-chairman of the chamber of commerce of Gaspe North.

M. Gabriel Bernard, N.P., representative of the chamber of commerce of Murdochville.

L. P. Peloquin, chairman of the industrial committee of Matane.

L. O. Roy, merchant, Ste. Anne des Monts.

Lucien Belanger, vice-chairman of the chamber of commerce of Matane.

Dr. Gaetan Lemire, fellow of the Royal College of Physicians and Surgeons, at the Ste. Anne des Monts hospital.

Henri Beaulieu, alderman of Mont Joli.

Etienne Levesque, alderman of Mont Joli.

F. A. Gauthier, tradesman, alderman of Matane.

Benoit McMullen, industrialist, alderman of Matane.

Jos. Dumont, foreman, alderman of Matane.

Paul E. Bouffard, tradesman.

Oscar Couturier, industrialist, director of the chamber of commerce of Gaspe North.

Maurice Gasseau, insurance agent, director of the chamber of commerce of Gaspe North.

Maurice Gasse, industrialist, director of the chamber of commerce of Gaspe North.

Lucien Couturier, industrialist, director of the chamber of commerce of Gaspe North.

Bertrand Tremblay, legal adviser to the chamber of commerce of Gaspe North.

Omer St. Pierre, industrialist, representative of the chamber of commerce of Gaspe North.

Gerard St. Laurent, industrialist, director of the chamber of commerce of Gaspe North.

Jean Yves Berube, representative of the Ungava Transport Company and director of the chamber of commerce of Gaspe North.

Dr. Maurice Baillargeon, dentist at Ste. Anne des Monts.

Claude Jourdain, Gaspe Construction, Cap Chat.

Paul E. Levesque, chairman of the school board of Ste. Anne des Monts.

Maurice Lefrancois, merchant, Ste. Anne des Monts.

Dr. Ovide Bernatchez, optometrist, Ste. Anne des Monts.

Zephirin Laflamme, hotelkeeper of Mont Louis.

Bernard Miville, law student, Cap Chat.

Fernand Leblanc, secretary-treasurer of the chamber of commerce of Gaspe North.

Mr. Roch Lalande, lawyer, Ottawa.

Mr. Chairman, at this stage of my speech, I should like to refer to certain parts of a speech made in this house by the hon. member for Laurier (Mr. Chevrier) on June 13, 1960, as can be seen on page 4862 of *Hansard* for that day:

Mr. Speaker, if I do so tonight, it is because the subject has been discussed for several years, and because I should like to remind the house of the eight proposed routes that were considered by the government of the time, and therefore by the Department of Transport. We considered that project, and most particularly the possibility of buying the Canada Gulf and Terminal, in 1927, 1930, 1943, 1946 and 1949. Of course, the government of the time did seriously consider the matter, and I should like here to put on the record the eight proposed routes that were considered at the time.

As you see, Mr. Chairman, according to the hon. member for Laurier and ex-minister of transport, the government has made a long study in 1927, 1930, 1943, 1946 and 1949. Should I infer that the government who was in power before us was a student government, that 1957 was a year of careful study, and that the people then decided to throw out the student government to replace it by a mature administration.

And in the same speech, the hon. member for Laurier goes on to say at page 4863 of *Hansard*:

I do not know what Mr. Gordon's attitude is today, because I left the department several years ago.

I do not know whether he has reconsidered the various locations, the least costly of which was $27 million at the time. But representations should be directed not so much to Mr. Gordon as to the government, and that is exactly what the hon. member for Gaspe (Mr. English) seems to overlook entirely.

It seems evident that this figure of $27 million is the estimation of the less expensive route at that time and I imagine that would be 12 or 13 years ago.

I wonder how we can reconcile this $27 million figure with the $16,100,000 figure

given in this bill. Because if we compare the cost of materials and labour at that time with that of today, the opposite should normally occur.

I should like now to mention certain words of appreciation which were said publicly concerning the realization of this project. Mr. Clement Brown, in the Montreal *Le Devoir* of January 19, 1962 had this to say:

> This will result in an upsurge of the economic life of the Gaspe peninsula.

In the newspaper *La Presse* of January 22, 1962 we read this:

> Industrial revival promised to the Gaspe peninsula through the construction of a railway.

La Voix Gaspésienne of Thursday, January 25, 1962, wrote:

> At last the railway.

Incidentally, this newspaper is published at Matane and is normally reported as being sympathetic to the Liberal party.

> For his part, the mayor of Matane, Mr. F. A. Gauthier, said he was very glad of the project, in the sense that it will represent an improvement on the transportation system in the Gaspe peninsula.

In the same issue of that newspaper, in an editorial signed G.G., we read the following:

> The project could not be more serious, since it is part of the federal government's program for this session. It is the fulfilment of a promise which Mr. Diefenbaker made personally during the 1957-58 campaigns.

At last, this is the fulfilment of a promise which has been recognized and repeated by a newspaper sympathetic to the opposition. It is one promise less to be held against us as not having been fulfilled. If, during the next federal election, we are blamed about promises, the blame will not be very efficient.

Mr. Chairman, I have also received several letters of appreciation from my electors, and I only want to mention it on the record. A great number of citizens of the constituency of Matapedia-Matane have shown their satisfaction about the measures announced in the speech from the throne.

Considering the excellence of such a measure, which has been put forward by the Conservatives for a long time and always refused by the various Liberal administrations, I feel it is my duty to express to those who are responsible for that magnificent and essential achievement, my most sincere gratitude.

My most sincere thanks are extended, first of all, to the right hon. Prime Minister (Mr. Diefenbaker) for the great understanding he has shown several times with regard to the

fair claims of the citizens of the Gaspe peninsula, who, under Liberal regimes, had acquired the rather unenviable title of the eternally forgotten people.

Thanks to the right hon. Prime Minister, the Gaspe peninsula will now develop and enjoy, like the other areas of Quebec and Canada, this economic growth of which we are now so glad. Undoubtedly, Mr. Chairman, the electors of the constituency of Matane-Matapedia and all those of the neighbouring constituencies will be unanimous in congratulating and thanking the head of the government for his generous action.

In addition to the Prime Minister, I should also mention the present Minister of Trade and Commerce (Mr. Hees) and the Minister of Transport who have both supported sincerely and strongly the project under study which will give the Gaspe peninsula the prosperity it so rightly deserves.

Briefly, I must say that in less than five years of Conservative government, the salvation of that area is forthcoming. During the 30 years they were in power, the Liberals could do nothing better than consider the project, but the Conservatives, on the other hand, have fully implemented it. The Canadian people will decide in due time which of the two parties is the most efficient.

Mr. Chevrier: Mr. Chairman, I believe hon. members are usually allowed to make corrections if necessary.

I hope that the hon. member for Matapedia-Matane (Mr. Belzile) will excuse me if I make two corrections following his remarks. If I am not mistaken, he stated that we have considered building this railroad in 1927, 1930, 1943, 1945 and 1949. Now, I must inform the house that what we had in mind in the years mentioned was the purchase of the Canada Gulf Terminal Railway and not the construction of a railroad in the Gaspe peninsula.

Second, the hon. member stated that the construction of that railroad would have cost $25.5 million at the time, after having examined eight routes, whereas now it will only cost $16 million.

The figure of $25.5 million was for the construction of a 147 mile long railroad from Matane to Ste Anne des Monts and from this community to the Gaspe Copper Mine site, not for the construction of a 57 mile long railroad as is the case here. Those are the figures I read into *Hansard* and which were given to me by our experts in the field, namely the C.N.R. officials.

The hon. member will undoubtedly agree that there can be no comparison between a railroad 57 miles long and one which is 147 miles long.

Mr. Brassard (Chicoutimi): Mr. Chairman, I heartily support the resolution under consideration and I promise to be very brief.

The Gaspe peninsula undoubtedly deserves full consideration from the federal government. It is common knowledge that for years now there has been an exodus of the people from Gaspe precisely because natural resources are not sufficiently developed in that area. Therefore, the resolution introduced today by the Minister of Transport (Mr. Balcer) is most timely.

I trust that the hopes raised by the construction of this new railroad in the Gaspe area will come true and that we will finally see the establishment of new industries in that peninsula. Let us hope that thanks to the present government, the Gaspe peninsula will no longer be looked upon with contempt and considered as an underdeveloped area of the province of Quebec as it was in the past. That has never been my attitude since I feel that the people from Gaspe form the very root of the population of the province of Quebec. I would even say that Gaspe is somewhat the birthplace of many a Montreal resident because a great number of people from Gaspe settled in the metropolis.

Following the example set this afternoon by the hon. member for Laurier (Mr. Chevrier), who has many years of experience in this house, I will allow myself to digress ever so slightly in order to ask the Minister of Transport to consider also other railway extensions which are very highly needed for the development of the province of Quebec. Here, it gives me pleasure to thank especially my good friend the hon. member for Port Arthur (Mr. Fisher), who gave such wonderful publicity to Quebec when, for example, he spoke of the railway facilities required in the Saguenay region.

I do hope that, after the decision taken by the Minister of Transport concerning Gaspe, the Saguenay region, which has a population of over 250,000 and is served by an obsolete railroad, dating back to 1838, will finally have a railway service adapted to our times and worthy of its people and of its mining and other industries.

It should not be forgotten that, for some years, the Lake St. John railway has been serving the railroad line to Chibougamau. It is therefore becoming more and more urgent that this line be improved and modernized in every way.

It goes without saying, Mr. Chairman, that I do not wish to force you to call me to order. I then congratulate once again the Minister of Transport for having introduced this resolution in this house, a resolution to which I give my wholehearted support on behalf of the people of the Saguenay region, please believe me, Mr. Chairman.

I want to remind everyone that we, of the Saguenay region, are also hopeful, as the hon. member for Port Arthur pointed out this afternoon and as the government of the province of Quebec emphasized before the royal commission on transportation, that our region will not be neglected and that we can count on some projects from legislation to be introduced in the near future.

The Chairman: Shall the resolution carry?

(Text):

Some hon. Members: Carried.

The Chairman: Shall I report the resolution?

(Translation):

Mr. Chevrier: Mr. Chairman, is the minister going to answer the questions I asked him previously?

Mr. Balcer: Mr. Chairman, the hon. member for Laurier (Mr. Chevrier) indeed asked me two or three questions this afternoon.

The first was about the Canada and Gulf Terminal railway. The hon. member wanted to know if the government intended to buy or expropriate this railroad or to come to some agreement regarding a right of way. Well, I am glad to remind the house that during the years 1900 to 1910—I can't say exactly what year, because I do not have the necessary document here, but I think it was in 1903 or 1904—the railroad in question obtained a federal grant. At that time, and as a condition of that grant, the government had required the railroad to guarantee a right of way to any other railroad which would claim one in the future.

This means that all the Canadian National Railways has to do to obtain a right of way on the Canada and Gulf Terminal railway is to make an application to the board of transport commissioners to obtain it and have the terms thereof set.

The hon. member has also asked me if the government had studied the possibility that the local mining companies might use the piggy-back system to allow faster transportation of the various ores extracted in the hinterland of the Gaspe peninsula.

Those are technical problems that will be solved by the authorities of the Canadian

National Railways. I admit that his suggestion has much value but, all the same, I cannot tell him if the Canadian National Railways will adopt that system or not.

Mines in operation and those which may become active in the future will undoubtedly have to ship their ore by the C.N.R. and it would be to their advantage to use piggyback facilities. However, since that railroad will be operated by the C.N.R. for the federal government, it will be up to the officials of the company to take a decision in that respect.

In addition, Mr. Chairman, the hon. member for Laurier asked a purely irrelevant question. In fact, he asked why the federal government does not help Quebecair which serves that area. As the hon. member knows, the government has considered recently various means of helping Quebecair and certain proposals have been submitted both to the federal government and to the air transport board but they have been turned down. However, I want to state here tonight that there is no doubt that this company will receive the same treatment as the other air lines. If some circumstances should arise and if the government should consider that it is its duty to assist that company, there will be no hesitation. In short, that company will always be treated on an equal footing with similar companies.

Before I close my remarks, Mr. Chairman, I should like to thank all those who took part in this debate and particularly the hon. member for Gaspe (Mr. English) who spoke with deep feeling. It is no wonder he was moved since this project has been his lifework, as he said so eloquently. In fact, he succeeded in voicing his own feelings and he really moved us by his warm observations about his region, his county and all the speakers who took part in the debate.

I also thank the member for Matapedia-Matane (Mr. Belzile) for his most thoughtful contribution, and I am very obliged to him particularly for having mentioned the names of several people in his constituency and the surrounding areas who have lent assistance, exerted pressure on the government and supplied all the necessary information to implement that project which I am sure will have most beneficial effects for that part of the province of Quebec and Canada.

As a matter of fact, the Gaspe area is extremely interesting; it is one of the most colourful parts of the country. It is unfortunate that all its great natural resources remained undeveloped, and that the population of that area was condemned to eke out a living by fishing.

[Mr. Balcer.]

Due to the efforts of the member for Gaspe and his colleagues from that region, the Gaspe peninsula will obtain a railroad, which, I am sure, will contribute to the economic growth of that part of the province which has been neglected up to now.

The Chairman: Shall the resolution carry?

(Text):

Resolution reported and concurred in.

Mr. Balcer thereupon moved for leave to introduce Bill No. C-67 to authorize the construction and operation on behalf of Her Majesty of a line of railway in the province of Quebec between Matane and St. Anne des Monts.

Motion agreed to and bill read the first time.

ST. LAWRENCE SEAWAY AUTHORITY ACT

AMENDMENT TO INCREASE AUTHORITY TO BORROW

Hon. Leon Balcer (Minister of Transport) moved the second reading of Bill No. C-66 to amend the St. Lawrence Seaway Authority Act.

Mr. Speaker: I am able to inform the house that copies of this bill in English and in French are available, notwithstanding the order paper does not show this to be the case.

Mr. Balcer: I should like to add a few remarks to the short speech I made last night. The purpose of the proposed legislation is to amend section 13 of the St. Lawrence Seaway Authority Act, chapter 242, R.S.C., 1952 to increase the limit of the borrowing power of the authority to $345 million from $335 million.

Section 13 of the act was amended by 7-8 Elizabeth II, chapter 9 (1959), to increase the power to borrow money from $300 million to $335 million. This provision states as follows:

> 13. The authority, with the approval of the governor in council, may, from time to time, borrow money from Her Majesty or otherwise for the purposes for which it is incorporated, but the aggregate of the amounts borrowed under this act and outstanding shall not at any time exceed three hundred and thirty five million dollars.

Section 25 of the act provides that the Minister of Finance with the approval of the governor in council, may, from time to time, make loans to the authority to the extent only that parliament has authorized such loans to be made in a fiscal year.

When, in 1959, an amendment to section 13 of the act was proposed to the house on

January 16, it was intended to cover certain estimates which were in excess of the amount of $300 million which had been set in previous measures. This time the amount being asked for is needed to meet some current commitments for outstanding work and contractors' claims which will exhaust the authority's present borrowing power. The additional $10 million will be needed for the remaining contractors' claims, land settlements, construction works including the completion of the Cornwall north channel bridge, a floating crane and certain remedial works, landscaping and wharf improvements.

On the last occasion when my predecessor brought in a similar amendment, an additional amount of money was asked for. This time there is simply a change in the general amount required. The only reason we are bringing this amendment forward is because these claims have been settled and the present borrowing power of the authority has been exhausted. We feel that this additional amount requested would be enough to cover the commitments and pay these claims.

Hon. Lionel Chevrier (Laurier): There will, of course, be no objection from this side of the house so far as this additional expenditure is concerned, but I should like to take this opportunity to do three things. First, I should like to say a word in commendation of the St. Lawrence seaway administration in so far as traffic on the seaway is concerned. I have not before me the latest figures and I doubt even if they are public, but I have those for November 1961 and they indicate that 23 million tons passed through the St. Lawrence canals. For the Welland canal, the figure was 30 million tons. In the first case, that is almost two and a half times as much traffic as there was before the opening of the seaway, which certainly represents a tremendous increase. In the second case, traffic on the Welland canal is 10 million tons more than that which existed before.

It is true the Welland canal has not reached the 40 million tons anticipated by the tolls committee, neither has the 30 million tons anticipated for the St. Lawrence canal been reached. However, I will say that in the three years during which the canal has been in operation the volume of traffic has been extremely encouraging. What is even more encouraging is the fact that the smaller vessels, the 14-foot vessels, are fast disappearing from the seaway in favour of larger carriers such as 20,000 and 25,000 ton carriers, many of which are being built. This means that in the long run the smaller vessels will disappear in favour of the larger ones. It may well be that when the tolls advisory committees of the seaway meet again to establish what the amount of the tolls should be the estimate of traffic will then have been reached because of the increased carrying capacity of the larger vessels. I am not at all dismayed by the fact that the tonnage has not reached the anticipated maximum. I am rather pleased by the fact that the tonnage has increased tremendously from what it was prior to the seaway.

At this point the house will probably permit me to place on the record what was said by Mr. R. J. Rankin, president of the St. Lawrence seaway authority in a speech delivered at Dearborn, Michigan, on January 15, 1962 in dealing with this and similar matters. He said:

> Within the authority, we do not share the opinions of those who have sought—through relating the actual revenues of the past three years to the estimates of the tolls advisory committees—to demonstrate that the seaway has made a poor showing and that there are serious doubts it will meet the objectives that have been set for it. As we see it, there is no sound basis for such thinking, nor, as of now, for any proposals which relate to the need of relief through lower interest rates, extensions of time or increased tolls.
>
> These are matters which relate directly to 1964 when the seaway entities are required to present to their respective governments an appraisal of their financial position.

Another significant paragraph from the speech reads as follows:

> In the three year period of its operation, the authority believes the seaway has given a good account of itself. It is quite true, as has been emphasized by outside analysts from time to time, that tonnages and revenues have not reached the levels originally estimated by the tolls advisory committees. However, to use this as an argument to condemn the work of the committees is, we believe, both unrealistic and premature. It may well be that the upward curve of tonnages and revenues is not as sharp as was forecast but this may or may not be significant in the long range view. Who is to say, for instance, that in the next, say five or six years, the tonnage volume and revenues will not reach and even exceed the levelling off point set by the committees. And it is the degree to which it exceeds this levelling off point which will determine whether or not the seaway pays off as planned.

As it has been agreed by both the United States development corporation and our own Canadian seaway authority I think we must await the time when there will again be an analysis of the whole position.

The minister made reference to the additional amount that was required and the purposes for which it was required. When one looks at the list of expenditures he can immediately come to the conclusion that these are natural expenditures. For instance, I remember that the predecessor of the minister rose in the House of Commons because of demands that were made from the

shipping fraternity that access wharves to the Welland canal should be built. These were built by the seaway authority at a cost of $4.5 million. It is only natural that authority should be sought to include that sum. The minister, of course, said at that time in answer to a question I put to him, that those would be paid for by an item in the estimates of the Department of Transport. That decision was altered and the St. Lawrence seaway authority is charged with that responsibility.

Then there is the north channel bridge at Cornwall which costs a substantial sum of money. There is also the landscaping that was done in the St. Lambert area. There are settlements for the expropriation of land, expropriations which had been made a long time ago but which had not yet been determined either through negotiations between the parties or by the courts. In addition, of course, there are claims that had been made by contractors.

The claims are nothing out of the ordinary. Claims were made against the power authority in substantial amounts. Claims were also made against the Ontario Hydro and against the St. Lawrence seaway development corporation, the United States entity, in substantial amounts; and so it is not out of the way that claims should be made against the Canadian entity. I see that according to the list the sum of $1,800,000 is required for that amount.

There is also a crane that is being purchased at a cost of $1,200,000. All of these expenditures total approximately $10 million. Having regard to the long term period over which the St. Lawrence seaway will operate I do not think this is extraordinary, particularly having regard to the interest during construction which on a project such as this represents a tremendous amount.

By an arrangement made between the seaway authority and the Department of Finance the interest during construction does not begin until 1963. I may be mistaken as to the years but I believe it was in 1959 and 1960 that the St. Lawrence seaway authority had to borrow funds to pay substantial amounts for interest during construction. In one case the total was $19 million. They took $3 million of that from their own revenues and borrowed the remaining $16 million.

May I conclude by expressing this thought. I observed in the press mention of the fact that Mr. Gordon Murphy, chief engineer of the St. Lawrence seaway authority, is to retire on March 1 next. I should like to pay a tribute to Mr. Murphy. He was responsible in no small measure, together with many others, of course, not only for the preparation of the plans and specifications of the seaway but also for the engineering work during the first years of the operation of the seaway.

Mr. Murphy is a man of vast experience. He was port manager in Montreal and served with the national harbours board in Ottawa for many years. He was selected because of his qualities as an engineer and his qualities as a man of tremendous integrity. Everyone who has come in contact with him will agree that Gordon Murphy was a dedicated worker. He took no holidays during the time I served with the seaway and I am informed he took very few holidays since I left. His industry, his humanity and his qualifications as an engineer lead me to believe that the success of the seaway was due in no small measure to his efforts. I should not wish to allow this measure to pass without expressing a word of commendation concerning not only an outstanding public servant but an engineer of tremendous capacity.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I have little to say for or against the principle of the bill. As hon. members may be aware, various members of this party including the hon. member for Assiniboia (Mr. Argue) and the hon. member for Vancouver East (Mr. Winch) over the past two or three years have placed on the order paper a number of questions relating to the St. Lawrence seaway, the contracts and various expenditures that have taken place. Many of these questions were prompted by a certain scepticism about the nature of the contracts and the efficiency with which they were carried out.

The hon. member for Assiniboia is not present this evening, but I trust that when the bill is before the committee hon. members who have expressed an interest in this matter will have an opportunity of examining in some detail the purposes for which this extra money is required in the light of the replies that have been received from the Department of Transport in response to questions about the St. Lawrence seaway authority.

The only point I wish to make about the seaway is this, and perhaps it is in some conflict with what was said by the previous speaker. The hon. member for Laurier (Mr. Chevrier) spoke about the success of the seaway. I wonder whether it has really been a success so far? At the western end of the seaway-great lakes waterway we have seen that the growth predicted has thus far not fully materialized. I wonder, therefore, whether the

seaway is not another example of our having oversold ourselves on a grandiose scheme? I wonder whether the St. Lawrence seaway is not another example of the kind of grandiose scheme where we oversell ourselves. On the one hand we build ourselves up on the St. Lawrence seaway and the tremendous impact it was going to have on the growth of our inland seaway in relationship to the west. In fact, the progress in terms of the increased shipments has not really been that much, at least as reflected in the upper lakes.

The other point about the seaway that comes to mind is this. In the area in which it has been more properly advantageous—and I am thinking there of the situation in the lower lakes and the passing of the iron ore traffic from Quebec into the steel making heart of the country—there is the fact that we have this immensely strong pressure group that is ranging the country from one end to the other led by a man of considerable ability—I refer to Admiral Mainguy—campaigning for the abolition of tolls and, at a minimum, campaigning for an approach to the St. Lawrence seaway that will see that no additional burden is put upon the shipper.

My point here is that, as a result of the arrangements made with the United States, the cost of the seaway remains a considerable charge upon the shipper, particularly with respect to the Welland canal. From the fact that we have ranged on one side or the other, the people who are charged with the provision of the service, and the carrier, who are going to be unhappy about the tolls, and the people in the west who are somewhat disappointed at the growth consequences of the seaway, I wonder why we have to be so enthusiastic as the hon. member for Laurier (Mr. Chevrier) still seems to be about the so-called wonderful success of the St. Lawrence seaway system.

The question that can undoubtedly be put is this: Do you consider the St. Lawrence seaway to be a failure? May I say that it is a gigantic engineering success but that it has been a very costly undertaking on the part of this nation, although perhaps one that was fitting at its time. We will welcome the opportunity of supporting the measure that will go towards clearing up any indebtedness that remains. However, I think it is over-optimistic to conclude that this has been the great cure-all for many of the economic problems of the St. Lawrence seaway-great lakes basin.

It is also apparent that a residue of harsh and contradictory feelings still exists within our neighbour to the south among various regional groups with regard to the development of the seaway. We have some groups contending that the United States government should build its own canal past the Niagara escarpment because of the dissatisfaction with the present arrangements. Perhaps one cause of the present feeling is that this would put more properly within United States hands where it belongs control of the traffic going through there. On the other hand, on the eastern seaboard and in the south, there are vigorous groups related to different shipping lines and different shipping ways who are very much against what they consider to be the subsidization that is still going on with regard to the seaway. Given this complicated pattern in the United States and the general situation in Canada with regard to the same contention that still exists about the potential, we shall look forward to hearing in greater detail in the committee the reason for this extension in the expenditures.

The point that might be made more efficiently by the hon. member for Laurier would perhaps be that one of the reasons for disappointment in the growth factor that we have noticed with regard to the western end lies in the coincidence that as the St. Lawrence seaway began to operate, it also went along with the change in government.

Mr. Pickersgill: That is right.

Mr. Fisher: I know this is a familiar argument that comes from the Liberal benches. I am unable to see the matter in these terms, Mr. Speaker. I should be obliged to express the opinion that whether or not the Liberals were in power, the St. Lawrence seaway would be in the position in which it is today of not meeting its projected income and of falling a good deal short of what was projected for it in terms of effects, both direct and peripheral, on the economy of the country.

Hon. J. M. Macdonnell (Greenwood): I should just like to add a word of comment on the last two speeches. I listened to what the hon. member for Port Arthur (Mr. Fisher) said. I noticed that he spoke about making up our minds whether this is a success or a failure. May I say that the time to make up our minds in deciding whether it was to be a success or a failure was before it was built. We have it now.

I was interested in what the hon. member for Laurier (Mr. Chevrier) said. After all, he has had a special opportunity to know its operations. I find it reassuring to hear his words of confidence. They were not words of exaggeration but nevertheless were words

of solid confidence. While we have this bill before us it seems to me that it would be wise for us to get to know the project better than we know it now. As for myself, I must confess that I have had a feeling that the project is falling somewhat below the expectations which had arisen in the decades we talked about the undertaking. It was natural that expectations should rise very high. It seems to me we should know how matters are working out. I have no doubt the minister can show this while the bill is before the house, and let us have the real picture as to what is happening and what the chances are of its paying its way in any reasonable time. That is what interests me and I believe it is what interests the people of Canada generally.

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

Some hon. Members: Question.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Martineau in the chair.

Clauses 1 and 2 agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall the bill be read a third time?

Some hon. Members: Now.

Mr. Speaker: By leave, now.

Mr. Balcer moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

CIVILIAN WAR PENSIONS

AMENDMENTS EXTENDING PAYMENTS TO CERTAIN GROUPS

Hon. Gordon Churchill (Minister of Veterans Affairs) moved the second reading of Bill No. C-64, to amend the Civilian War Pensions and Allowances Act.

He said: Mr. Speaker, in introducing the bill now for second reading I have nothing to add to the detailed explanation that I gave at the resolution stage. I covered in that statement, point by point, the various categories that are dealt with under this bill, and as there is no special principle involved other than the bringing of these categories within the ambit of war veterans allowances, there is nothing particular that I might usefully add at this stage.

[Mr. Macdonnell.]

Mr. C. W. Carter (Burin-Burgeo): Mr. Speaker, I rise to indicate my support and the support of this party for the second reading of this bill. We are now discussing the principle of the bill. I should like to take advantage of this opportunity to make a clarification of a statement which I made on Friday when we were discussing this measure at the resolution stage. At that time I said, as reported on page 741 of *Hansard* for February 9, 1962:

> We now have in Newfoundland two classes of foresters, those who served in world war I and are veterans and entitled to benefits under the veterans charter and those who served in world war II who are not veterans—

When the minister was speaking yesterday, as reported on page 773 of *Hansard*, he took exception to these remarks and, in particular, he took exception to my use of the word "now". I should like to make it clear to the minister and to the house that I in no way intended to blame the government for anything that happened prior to 1957. Certainly, all down through the years since 1949 when Newfoundland became a part of Canada, we have had the situation in which the foresters who served in the Canadian army or Canadian units, were regarded as veterans; the foresters who served in the Newfoundland forestry units in world war I were regarded as veterans. The status of those Newfoundlanders who served overseas in the forestry units during world war II has been in doubt. Their services have not been recognized for the purposes of pension or for any other reason. By implication, we have refused to accord them the status of veterans. When I used the word "now", what I was pointing out was that we are doing something in this act which had not been done previously. So long as we withheld a decision, then those Newfoundlanders who served in the forestry units in world war II could not say that we had decided about their status one way or another. We had not made any pronouncement or we had not pronounced any verdict as to what we considered their status to be. We have done so now, and we have this written into a bill which is going to go on our statute books.

I refer particularly to clause 75 of the bill which says that, for the purposes of this part, "civilian" means certain things, and then it goes into a whole list of categories as to what constitutes a civilian for the purposes of this act. Under paragraph (a) it says that a person who served at sea in a ship of Canadian or Newfoundland registry during world war I or world war II for a period of at least six months shall be a civilian under this act.

Then, we go further and under paragraph (g) we say that a person who served with the Newfoundland overseas forestry unit in the United Kingdom during world war II for a period of at least six months and who contracted to serve with that unit for the duration of the said war, shall be classed as a civilian. We have classified them. Then, to make sure that there is no doubt about it, we have written into another part of the act, clause 70, subclause 2, which states that in applying the act to the provisions of the War Veterans Allowance Act, 1952, schedule A, established for the purpose of this part, the word "veteran"—I ask hon. members to note this—the word "veteran" where it appears therein shall be read therein as "civilian". This is the point to which I intended to refer the minister. This is what is happening if this legislation is passed. I used the word "now" and perhaps I was a little premature in anticipating the passage of this bill, although we know that with the government's majority it will go through. I hope we can still appeal to the minister to reconsider this decision.

May I call it ten o'clock?

Mr. Hamilton (Notre Dame de Grace): Are you against this?

Mr. Carter: I am against the drafting and the civilian status.

BUSINESS OF THE HOUSE

Mr. Chevrier: Could the house leader inform us what the business will be for tomorrow?

Mr. Churchill: Tomorrow, Mr. Speaker, the first item will be this Bill, No. C-64; second, Bill No. C-65, Children of War Dead (Education Assistance) Act; third will be the resolution dealing with amendments to the Export Credits Insurance Act. Then, the next item would be Bill No. C-49, an act to amend the Small Businesses Loans Act, followed by a resolution in the name of the Minister of Finance with regard to the Farm Improvement Loans Act; the resolution in the name of the same minister with regard to the Fisheries Improvement Loans Act; the resolution in the name of the same minister with regard to the payment of certain provincial taxes and fees by crown corporations; followed by a resolution in the name of the same minister dealing with the Currency, Mint and Exchange Fund Act.

If these are completed, and some of them are very short, we would then take the resolution in the name of the Secretary of State dealing with the universal copyright convention, and although Wednesday is a rather short day, the final item would be second reading of Bill No. C-38, an act to provide for the reporting of financial and other statistics.

Mr. Chevrier: Is it the intention to go on with this legislation on Thursday in case it is not finished on Wednesday, and what is the prospect for return to the speech from the throne?

Mr. Churchill: The hon. member for Essex East made such an impassioned plea for immediate dissolution that these matters have to be considered before a further announcement could be made.

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

HOUSE OF COMMONS

Wednesday, February 14, 1962

The house met at 2.30 p.m.

STANDING COMMITTEES

Mr. John Pallett (Peel) 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:

Aiken
Barrington
Bell (Carleton)
Caron
Deschambault
Godin
Grills
Henderson
Hodgson
Howard
Johnson
Macquarrie
Mandziuk
McBain
McDonald (Hamilton South)
McGee
McIlraith
McWilliam
Meunier
Montgomery
Nielsen
Ormiston
Paul
Pickersgill
Richard (Ottawa East)
Valade
Webb
Webster
Woolliams

(Quorum—10)

RAILWAYS, CANALS AND TELEGRAPH LINES

Messrs:

Allmark
Asselin
Badanai
Baldwin
Benidickson
Bourbonnais
Bourget
Bourque
Brassard (Chicoutimi)
Brassard (Lapointe)
Browne (Vancouver-Kingsway)
Bruchesi
Cadieu
Campbell (Stormont)
Campeau
Chevrier
Creaghan
Crouse
Denis
Drysdale
Dumas
Fisher
Fournier
Grills
Hodgson
Horner (Acadia)
Howe
Johnson
Keays
Kennedy
LaMarsh, Miss
Lessard
MacInnis
MacLean (Winnipeg North Centre)
Martin (Essex East)
Matheson
McBain
McDonald (Hamilton South)
McFarlane
McGee
McGregor
McPhillips
Monteith (Verdun)
Pascoe
Payne
Phillips
Pigeon
Pitman
Rapp
Rogers
Rynard
Simpson
Smith (Calgary South)
Smith (Lincoln)
Smith (Simcoe North)
Thompson
Tucker
Valade
Woolliams
Wratten

(Quorum—20)

MISCELLANEOUS PRIVATE BILLS

Baldwin
Batten
Beech
Bigg
Broome
Campbell (Stormont)
Carter
Chatterton
Cooper
Crestohl
Danforth
Forbes
Forgie
Garland
Granger
Hales
Horner (The Battlefords)
LaMarsh, Miss
Kennedy
Knowles
MacEwan
MacLean (Winnipeg North Centre)
Macnaughton
Mandziuk
Martin (Timmins)
Matthews
McBain
McCleave
McDonald (Hamilton South)
McFarlane
McLennan
McMillan
Milligan
Mitchell
Monteith (Verdun)
More
Morton
Nixon
Ormiston
Peters
Regnier
Robinson
Rogers
Simpson
Smith (Lincoln)
Smith (Simcoe North)
Smith (Winnipeg North)
Stefanson
Webster
Wratten

(Quorum—15)

BANKING AND COMMERCE

Messrs:

Aiken
Argue
Asselin
Baldwin
Bell (Carleton)
Bell (Saint John-Albert)
Benidickson
Bigg
Brassard (Chicoutimi)
Broome
Campeau
Cardin
Caron
Cathers
Chevrier
Clermont
Creaghan
Crestohl
Drysdale
Hales
Hanbidge
Hicks
Horner (Acadia)
Jung
Macdonald, Mrs.
Macdonnell
MacLean (Winnipeg North Centre)
MacLellan
Macnaughton
Martin (Essex East)
McIlraith
McIntosh
More
Morissette
Morton
Nasserden
Nugent
Pascoe
Pickersgill
Regier
Robichaud
Rowe
Rynard
Skoreyko
Smith (Winnipeg North)
Southam
Stewart
Stinson
Thomas
Woolliams

(Quorum—15)

PUBLIC ACCOUNTS

Messrs:

Beech
Bell (Carleton)
Benidickson
Bissonnette
Bourbonnais
Bourget
Brassard (Chicoutimi)
Broome
Bruchesi
Campeau
Danforth
Deschatelets
Denis
Drysdale
Dupuis
Grenier

Standing Committees

Hales
Hanbidge
Hellyer
Keays
Lahaye
Macdonnell
Macnaughton
McGee
McGrath
McGregor
Morissette
Morton
Muir (Lisgar)
Murphy
Noble
Nugent
Pickersgill
Pigeon
Pratt
Regier
Robichaud
Rouleau
Smith (Lincoln)
Smith (Simcoe North)
Smith (Winnipeg North)
Spencer
Stefanson
Stewart
Tucker
Valade
Villeneuve
Winch
Woolliams
Wratten

(Quorum—15)

AGRICULTURE AND COLONIZATION

Messrs:

Argue
Badanai
Belzile
Boulanger
Brassard (Lapointe)
Cadieu
Campbell (Lambton-Kent)
Clancy
Clermont
Cooper
Danforth
Doucett
Drouin
Dubois
Dupuis
Fane
Forbes
Forgie
Godin
Gundlock
Hales
Henderson
Hicks
Horner (Acadia)
Howe
Kindt
Knowles
Korchinski
Lahaye
Leduc
Latour
Letourneau
Mandziuk
Matheson
McBain
McIntosh
Michaud
Milligan
Montgomery
Muir (Lisgar)
Nasserden
Noble
Pascoe
Peters
Phillips
Racine
Rapp
Regnier
Rogers
Rompre
Slogan
Smallwood
Southam
Stefanson
Tardif
Thomas
Thompson
Tucker
Villeneuve
Webb

(Quorum—20)

STANDING ORDERS

Messrs:

Aitken, Miss
Argue
Batten
Best
Bourdages
Brassard (Chicoutimi)
Campeau
Danforth
Forgie
Frechette
Garland
Grafftey
Horner (Jasper-Edson)
Loiselle
McWilliam
Meunier
Milligan
Spencer
Webb
Webster

(Quorum—8)

MARINE AND FISHERIES

Messrs:

Batten
Browne (Vancouver-Kingsway)
Cardin
Carter
Crouse
Danforth
Drysdale
English
Gillet
Granger
Grenier
Howard
Keays
Legere
Macdonald, Mrs.
MacEwan
MacLellan
Matthews
McCleave
McGrath
McLennan
McPhillips
McQuillan
McWilliam
Michaud
Murphy
Noble
O'Leary
Phillips
Pickersgill
Robichaud
Speakman
Stefanson
Stewart
Tucker

(Quorum—10)

MINES, FORESTS AND WATERS

Messrs:

Aiken
Baskin
Cadieu
Campbell (Stormont)
Chatterton
Clermont
Coates
Doucett
Drysdale
Dumas
Fleming (Okanagan-Revelstoke)
Godin
Granger
Gundlock
Hicks
Kindt
Korchinski
LaMarsh, Miss
Leduc
MacRae
Martel
Martin (Timmins)
McFarlane
McGregor
McLennan
McQuillan
Mitchell
Muir (Cape Breton North and Victoria)
Nielsen
Nugent
Payne
Racine
Robichaud
Rompre
Simpson

(Quorum—10)

INDUSTRIAL RELATIONS

Messrs:

Beech
Benidickson
Bourdages
Broome
Browne (Vancouver-Kingsway)
Caron
Clermont
Creaghan
Drouin
Fournier
Godin
Grafftey
Granger
Lafreniere
Lahaye
LaMarsh, Miss
MacLean (Winnipeg North Centre)
Mandziuk
Martin (Essex East)
Martini
McDonald (Hamilton South)
McWilliam
Mitchell
Monteith (Verdun)
Muir (Cape Breton North and Victoria)
Noble
Pigeon
Pitman
Ricard
Simpson
Skoreyko
Small
Smith (Winnipeg North)
Spencer
Weichel

(Quorum—10)

DEBATES

Messrs:

Argue
Campbell (Lambton-Kent)
Chevrier
Fortin
McPhillips
Monteith (Verdun)
Nixon
Paul
Pigeon
Regnier
Richard (Ottawa East)
Roberge

(Quorum—7)

EXTERNAL AFFAIRS

Messrs:

Aitken, Miss
Allard
Asselin
Batten
Cardin
Casselman, Mrs.
Cathers
Crestohl
Eudes
Fairfield
Fleming (Okanagan-Revelstoke)
Garland
Hellyer
Herridge
Jung
Kucherepa
Lafreniere
Lennard
MacLellan
Mandziuk
Martin (Essex East)
McCleave
McGee
McIntosh
Montgomery
Nesbitt
Nugent
Pearson
Pratt
Regier
Richard (Ottawa East)
Slogan
Smith (Calgary South)
Vivian
White

(Quorum—10)

ESTIMATES

Messrs:

Argue
Baldwin
Benidickson
Best
Bissonnette
Bourbonnais
Bourdages
Bourget
Brassard (Lapointe)
Broome
Bruchesi
Campbell (Lambton-Kent)
Cardin
Caron
Carter
Cathers
Clancy
Coates
Crouse
Drysdale
Dumas
Fairfield
Fleming (Okanagan-Revelstoke)
Fortin
Gillet
Grafftey
Hales
Hellyer
Horner (Jasper-Edson)
Howe
Korchinski
LaMarsh, Miss
MacLellan
Matheson
McCleave
McDonald (Hamilton South)
McFarlane
McGee
McGrath
McGregor
McIlraith
McQuillan
McWilliam
More
Noble
Parizeau
Payne
Pickersgill
Pratt
Pugh
Richard (Kamouraska)
Skoreyko
Smith (Calgary South)
Stewart
Stinson
Thompson
Vivian
White
Winch
Winkler

(Quorum—20)

VETERANS AFFAIRS

Messrs:

Badanai
Barrington
Batten
Beech
Benidickson
Broome
Cardin
Carter
Chatterton
Clancy
Denis
Fane
Forgie
Herridge
Jones
Kennedy
LaMarsh, Miss
Lennard
MacEwan
MacRae
Matthews
McFarlane
McIntosh
McWilliam
Monteith (Verdun)
Montgomery
O'Leary
Ormiston
Parizeau
Peters
Pugh
Roberge
Robinson
Rogers
Smith (Lincoln)
Stewart
Thomas
Webster
Weichel
Winkler

(Quorum—15)

PRINTING

(Members to act on the part of the Commons)

Messrs:

Allard
Asselin
Barrington
Belzile
Bissonnette
Boivin
Bourdages
Bourque
Brunsden
Cadieu
Campeau
Caron
Clancy
Cooper
Creaghan
Deschambault
Deschatelets
Dubois
Dupuis
Fane
Fisher
Fortin
Gillet
Godin
Grafftey
Gundlock
Henderson
Howard
Korchinski
Lahaye
Lessard
Letourneau
Matheson
MacInnis
MacLellan
McDonald (Hamilton South)
McLennan
McWilliam
Meunier
Michaud
Morissette
O'Leary
Phillips
Rapp
Richard (Kamouraska)
Robinson
Rouleau
Skoreyko
Slogan
Smallwood
Southam
Taylor
Webb
Winkler—54

LIBRARY OF PARLIAMENT

(Members to act on the part of the Commons)

Mr. Speaker, Miss Aitken and Messrs.

Belzile
Bourbonnais
Bourque
Brunsden
Campeau
Eudes
Fairfield
Fisher
Fleming (Okanagan-Revelstoke)
Forbes
Frechette
Grenier
Hanbidge
Kindt
Knowles
LaRue
Lennard
Lessard
Macquarrie
Martel
Matthews
McFarlane
McGee
McIlraith
Muir (Lisgar)
Nixon
Pigeon
Pratt
Racine
Ratelle
Regier
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Rouleau
Simpson
Skoreyko
Small
Smith (Lincoln)
Smith (Simcoe North)
Smith (Winnipeg North)
Southam
Stinson
Tremblay—45.

RESTAURANT

(Members to act on the part of the Commons)

Mr. Speaker and Messrs.

Bourque
Campbell (Lambton-Kent)
Carter
Chatterton
Deschatelets
Doucett
Godin
Hales
Horner (The Battlefords)
Lafreniere
Latour
Legere
Letourneau
Martin (Timmins)

McGregor — Tardif
McQuillan — Taylor
Muir (Lisgar) — Villeneuve
Pratt — Weichel
Richard (Ottawa East) — Wratten—25.

Mr. Pallett moved that the report be concurred in.

Motion agreed to.

POWERS OF COMMITTEES

Right Hon. J. G. Diefenbaker (Prime Minister) moved:

That the standing committees of this house be severally 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.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*PILOTAGE FEES, PORT WELLER-SARNIA DISTRICT

Question No. 78—**Mr. Fisher:**

1. How much revenue was received by the Department of Transport from the Port Weller-Sarnia district through pilotage fees?
2. How much of this was paid to the Americans as their share?
3. What was the total amount paid in salary or wages to Canadian pilots in this district in 1961?
4. Was any provision made in 1961 to aid pilots during the busier part of the season in order to ameliorate the working conditions of the pilots on the staff?

Mr. Martini: Mr. Speaker, the answers to the four parts of this question are as follows:

1. Final accounting of collections and disbursements by United States and Canadian offices is not yet completed.

2. See answer to No. 1.

3. $468,335.06.

4. Yes, by the registration of additional pilots.

*JET PLANE PURCHASE, TRANSPORT DEPARTMENT

Question No. 122—**Mr. Nixon:**

Has the Department of Transport recently acquired a jet plane and, if so, is it intended that this plane will be used by the Prime Minister and federal cabinet ministers?

Mr. Martini: Mr. Speaker, as announced on several previous occasions, the Department of Transport some years ago ordered a small jet aircraft in order to provide the department with complete operational data and experience in civil jet aircraft, since these must be regulated by the department.

This aircraft has recently been delivered and will be used for a wide variety of jet

I.L.S., V.F.R., I.F.R., calibration and communication testing purposes. It is at present engaged in an extensive training and test program which will occupy it for a period of months. It has, therefore, not been made available for ministerial transportation at the present time, but this may be possible at a future date on a restricted basis.

*PROPOSED EAST COAST FERRY TERMINAL, NFLD.

Question No. 125—**Mr. Carter:**

Has the attention of the Minister of Transport been drawn to a brief compiled by Captain M. G. Dalton, former marine superintendent of Canadian National Railways in Newfoundland, concerning suitability of Little Southern harbour as a site for the Newfoundland terminal of the proposed ferry service between North Sydney and the east coast of Newfoundland; and, if so, what consideration was given to this brief?

Mr. Martini: Mr. Speaker, certain information on this matter was provided to the minister in personal correspondence which accordingly placed some limitations upon the use that could be made of it. However, the department is aware of the potentials of Little Southern harbour, and while the analyses to date point overwhelmingly in favour of the use of Argentia there are certain points in connection with Little Southern harbour on which it is still intended to check.

HIGHWAY CONSTRUCTION, NORTHERN QUEBEC

Question No. 126—**Mr. Martel:**

1. What amounts have been paid by, or claimed from, the federal government for highway construction work, between Amos and Mattagami in northern Quebec, carried out under the federal-provincial agreement entered into in Quebec city in October 1960?
2. Who were the tenderers with respect to these works; at what time, to whom, and for what price was the contract awarded?
3. What is the total cost of the construction work of the said highway, the total amount of the federal contribution, and the total amount of the extras approved or recommended by the federal engineers and inspectors assigned to the project; and the total amounts claimed by the provincial authorities over and above the contract price?
4. Will the federal government table a copy of the contract entered into by the province of Quebec and the general contractor, together with (a) a list of the names and addresses of the workers employed on this highway construction project (b) a list of the names of those from whom equipment has been rented on an hourly basis or by contract as subcontractors or otherwise (c) a list of the suppliers, and of the persons who recommended them to the contractor?
5. Who were the other persons or companies that worked on a contract or day's work basis for the government of Quebec, under the federal-provincial agreement respecting the said roads to resources?
6. If the answers to parts 4 and 5 are not available federally, will the information be obtained from the provincial authorities concerned in view of the federal contribution to a substantial share of this construction contract under the agreement referred to in part 1 above?

Answer by: **Mr. Dinsdale:**

1. From the date that the agreement was signed to the present, the federal government has paid $738,557 to the province of Quebec for work carried out on the Amos to Mattagami road.

2. Contractors who submitted tenders for construction of this road were as follows:

Les Constructions du St-Laurent Ltee., Villeneuve, P.Q., $2,592,273.03.

Dramis Construction Co. Ltd., Montreal, P.Q., $2,990,323.53.

La Societe d'Entreprises Generales Ltee, Amos, P.Q., $3,267,785.75.

Simard & Freres Cie. Ltee., Montreal, P.Q., $3,556,966.15.

Paquin Construction Co. Ltd., Val-d'Or, P.Q., $3,699,318.40.

H. J. O'Connell Ltee, Montreal, P.Q., $3,750,077.00.

L. O. Trottier & Fils Ltée, Cap de la Madeleine, P.Q., $3,916,182.00.

McNamara (Quebec) Ltd., Montreal, P.Q., $3,965,599.00.

Dan Lamothe Ltee., Noranda, P.Q., 3,980,965.90.

Boyer Construction Co. Enrg., St. Gervais, Cte Bellechasse, P.Q., $3,415,662.60.

On November 14, 1960, approval was given for the award of a contract to Les Constructions du St-Laurent Ltee., the low bidder, in the amount of $2,592,273.03, plus 10 per cent of the contract amount for contingencies. Total approval $2,851,500.33.

3. Total cost of work approved to date is $4,383,723.55 (Canada's share $2,191,862) for the Amos to Mattagami road. Included in this total is $2,851,500.33 originally approved for the St-Laurent contract (including 10 per cent contingencies) plus extras amounting to $845,499.67, bringing the present total of this contract plus contingencies to $3,697,000.00. Approval has also been given for materials—$185,000, engineering—$295,000 and other miscellaneous charges—$48,000.

4. Not available in this department. This information available only from the provincial government.

5. Contracts were awarded for bridge construction to the following firms who were low bidders for the work concerned:

(1) March 2, 1961, La Societe d'Entreprises Generales Ltee., Amos, P.Q. (Deck-Harricana river bridge), $32,977.94.

(2) April 11, 1961, Standard Structural Steel Ltd., (Superstructure Harricana river bridge), $56,144.00.

(3) April 11, 1961, L. Lavergne Ltee., (Panache and St-Dominique river bridge), $54,601.58.

Engineering for the above three contracts was approved in the amount of $15,000.

6. This information is not normally obtained from the province by this department. When an individual requests information of this nature, he is referred directly to the province for an answer.

*PRIME MINISTER'S SPEECH, RESOURCES FOR TOMORROW CONFERENCE

Question No. 131—**Mr. Fisher:**

1. Has the Minister of Northern Affairs and National Resources or the Minister of Forestry or the secretariat of the resources for tomorrow conference received any complaints, criticisms, or suggestions from anyone regarding the speech made by the Prime Minister at the opening of the resources for tomorrow conference in which he set out the government's intention to carry on the general purpose of the conference with some kind of continuing organization?

2. If so, from whom did such responses come?

Mr. Dinsdale: The answers are as follows:

1. No.

2. Not applicable.

*RESOURCES FOR TOMORROW—CONTINUATION OF CONFERENCE WORK

Question No. 132—**Mr. Fisher:**

1. What are the plans of the federal government to carry on the work initiated by the resources for tomorrow secretariat and conference?

2. Have all the provinces expressed unanimity or intention of support for the federal government suggestions?

3. If not, which provinces have expressed a caveat or qualifications?

Mr. Dinsdale:

1. The government proposes to follow up actively the work initiated by the resources for tomorrow conference and its secretariat by co-ordinating its activities with those of the provinces through the means of the resource ministers' council which was constituted on February 5, 1962, to succeed to the ministers' steering committee. The means for achieving this were set out in a press release issued on February 6, following the steering committee meeting.

2. The provinces all agreed to pursue the work in the manner indicated in paragraph 1.

3. Not applicable.

*DAWSON CITY FESTIVAL—DANCE HALL RESTORATION

Question No. 133—**Mr. Fisher:**

1. Has the Department of Northern Affairs and National Resources spent any money to restore completely Arizona Charlie's famous Palace Grand Dance Hall for the occasion of the Dawson city gold rush festival?

2. If so, (a) what was the amount (b) under what vote or statutory provision is the money being expended?

3. What officials of the department are in direct charge of the expenditures?

Questions

4. What amount of the expenditures are to be recouped from the festival itself?

Mr. Dinsdale:

1. Yes, the Palace Grand theatre is being restored as a national historic site in time for public use during the gold rush festival.

2. (a) $138,463, to December 31, 1961.

(b) Funds are provided in vote 285, national parks and historic sites and monuments—construction or acquisition of buildings, works, land and equipment; statutory authority is provided in the Historic Sites and Monuments Act.

3. G. L. Scott, chief engineer, national parks branch, Ottawa; T. C. Fenton, supervising engineer, Banff, Alberta; F. A. Dunphy, project engineer, Dawson city, Yukon Territory.

4. None.

FARM CREDIT ACT LOANS

Question No. 144—**Mr. Racine:**

1. How many loans have been made by the Farm Credit Corporation (a) under part II, (b) under part III, of the Farm Credit Act in each province?

2. How many farmers have borrowed over $15,000 under part II of the said act in each province?

Answer by: **Mr. Charlton:**

1. Number of loans made by the Farm Credit Corporation under part II and part III of the Farm Credit Act in each province:

Province	Part II	Part III
British Columbia	455	29
Alberta	3208	82
Saskatchewan	4447	72
Manitoba	769	30
Ontario	3284	93
Quebec	252	47
New Brunswick	130	8
Nova Scotia	55	6
Prince Edward Island	232	15
Newfoundland	1	—
	12833	382

2. Number of farmers who have borrowed over $15,000 under part II of the Farm Credit Act in each province.

Province	No. of farmers
British Columbia	107
Alberta	447
Saskatchewan	472
Manitoba	116
Ontario	668
Quebec	44
New Brunswick	13
Nova Scotia	9
Prince Edward Island	2
Newfoundland	—
	1878

[Mr. Fisher.]

ALLOWANCES UNDER WAR VETERANS ACT

Question No. 153—**Mr. Creaghan:**

1. How many male veterans under age 60 have satisfied the special requirements of the War Veterans Allowance Act and are now in receipt of allowances?

2. How many widows and female veterans under age 55 have likewise qualified for allowances?

3. What is the total number of persons, under age 65, now in receipt of allowances?

4. What is the total number of persons now in receipt of allowances?

Answer by: **Mr. Churchill:**

As of December 31, 1961:

1. 6,523.

2. 1,192.

3. 24,454.

4. 74,901.

FEDERAL BUILDING, BROCKVILLE

Question No. 156—**Mr. Matheson:**

1. Have plans been completed for the construction of a federal building at Brockville?

2. When will construction work begin?

Answer by: **Mr. Tassé:**

1. No.

2. It is expected to begin this year.

*NATIONAL FILM BOARD—OFFER TO SCHOOLS

Question No. 158—**Mr. Cardin:**

Was an offer made by the national film board to any schools in Canada to provide free film equipment for orders of film strip reaching a certain total; and, if so, was it later withdrawn, and why?

Mrs. Fairclough: It is true that an offer was made to educational institutions by the national film board for inclusion of a projector with the order for a certain number of film strips. This was done because a similar offer was made by United States companies to our schools, and it was felt that it was better to have the schools supplied with Canadian films. However, after the offer had been in force for some time strong protests were received from the master photo dealers and finishers association of Canada, who objected to this particular deal. Consequently it was withdrawn.

*DUTY OFFICERS' GRIEVANCE, H.M.C. DOCKYARD, HALIFAX

Question No. 159—**Mr. McWilliam:**

Have the duty officers at Bedford magazine, Halifax, filed a grievance with the personnel office at H.M.C. *Dockyard*, Halifax; and, if so, has this grievance been acted upon, and with what results?

Mr. Chambers: Yes, a grievance was filed, fully considered by the department and disallowed.

QUESTIONS PASSED AS ORDERS FOR RETURNS

*FEDERAL PAYMENTS TO NEWSPAPER REPRESENTATIVES

Question No. 73—**Mr. Howard:**

Since November 1, 1961, has the government of Canada, or any agency, branch, or department thereof, paid any money to, or on behalf of, or is any money owed to, or on behalf of, any editor, publisher, or other representative of any newspaper, excluding payments for advertisements, and if so, with respect to each such editor, publisher or other representative, what is (a) his name and address (b) the newspaper which he represented or was associated with (c) the amount of any such payment or indebtedness for transportation expenses and the places travelled to and/or from (d) the amount of any such payment or indebtedness for hotel and/or meals (e) the amount of any other such payment and the reasons therefor?

*TRANSPORT DEPARTMENT—BILLS FOR USE OF PLANES

Question No. 123—**Mr. Leduc:**

1. Does the Department of Transport bill other departments of government or individuals for use of its passenger planes; and, if so, have any such billings been made with respect to travels made by members of the government either to (a) their individual departments (b) to non-governmental organizations or individuals?

2. If the answer is yes in the case of (b), what amounts have been billed in each case, and for what flights?

*FORESTERS MEETING, MINNEAPOLIS—ADDRESS BY CANADIAN REPRESENTATIVE

Question No. 130—**Mr. Fisher:**

1. Did a representative of the economics division of the federal Department of Forestry address a joint meeting of Canadian and American foresters in Minneapolis?

2. If so, (a) who was he (b) what were his professional qualifications (c) did he comment upon the operation of American corporations in Canadian forest industries (d) did he make any statements about the effect of such corporations upon the competitive position of Canada in world markets (e) did he offer any solution to the problem (f) did the express any opinions about the international nature of the trade unions which hold contracts in the Canadian woods industry; and, if so, to what effect?

PREVAILING RATES OF PAY, NATIONAL DEFENCE, TORONTO

Question No. 157—**Mr. Herridge:**

What are the rates of pay for the following prevailing rates employees of the Department of National Defence in the Toronto area, and when did these rates come into effect (a) plumbers (b) painters (c) motor mechanics (d) electricians (e) labourers?

MOTIONS FOR PAPERS

METHOD OF AMENDING CONSTITUTION

Motion No. 2—**Mr. Chevrier:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence exchanged between the Minister of Justice and the attorneys general or other provincial ministers since July 1, 1960, regarding the method of amending the constitution of Canada.

Mr. Fulton: I have heard from all but three of the provinces, I think it is, and would accordingly ask that this motion be allowed to stand for a further period.

Mr. Pickersgill: That procedure would be quite agreeable.

Mr. Speaker: Stand.

Motion stands.

CONTRACTS FOR SALE OF GRAIN TO CHINA

Motion No. 5—**Mr. McIlraith:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all contracts entered into between the Canadian wheat board and the China Resources Company for the sale of grain under the long term agreement between the Canadian wheat board and the China Resources Company.

Mr. Jorgenson: Mr. Speaker, may I ask that this motion and the next one stand until the minister returns?

Mr. McIlraith: Mr. Speaker, the request raises a point of order of some concern to me. These motions have been on the order paper since January 29, and coupled with them is a very simple question of the same date, being the first one on today's order paper. The question has been stood from day to day, and it seems to me there is no adequate reason for the repeated request that the notices of motion stand.

Mr. Speaker: The hon. member is entitled to have his motion proceeded with if he does not agree to having it stood.

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

YEAS

Messrs.

Allard	Herridge
Badanai	Howard
Batten	LaMarsh, Miss
Benidickson	Lessard
Boivin	Loiselle
Boulanger	McIlraith
Bourque	McMillan
Brassard (Lapointe)	McWilliam
Cardin	Martin (Essex East)
Caron	Martin (Timmins)
Carter	Matheson
Crestohl	Meunier
Dumas	Michaud
Dupuis	Mitchell
Eudes	Pearson
Forgie	Pickersgill
Garland	Pitman
Godin	Richard (St. Maurice Lafleche)
Granger	
Habel	Roberge

Divisions

Robichaud
Rouleau
Tardif
Tucker
Winch—44.

NAYS

Messrs.

Aiken
Aitken, Miss
Barrington
Baskin
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Bigg
Bourbonnais
Broome
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Bruchesi
Brunsden
Cadieu
Campbell (Lambton-Kent)
Campbell (Stormont)
Cardiff
Casselman, Mrs.
Cathers
Chambers
Charlton
Chatterton
Churchill
Clancy
Cooper
Creaghan
Crouse
Danforth
Deschambault
Diefenbaker
Dinsdale
Dorion
Doucett
Drouin
Drysdale
Dubois
English
Fairclough, Mrs.
Fairfield
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Flemming (Royal)
Flynn
Forbes
Fortin
Fulton
Green
Grills
Gundlock
Hales
Halpenny
Hamilton (Notre Dame de Grace)
Hanbidge
Henderson
Horner (Acadia)
Horner (The Battlefords)
Howe
Johnson
Jorgenson
Keays
Kennedy
Kindt
Korchinski
Kucherepa
Lafreniere
Lahaye
Lambert
Latour
Legere
Lennard
Macdonnell
MacEwan
MacInnis
MacLean (Queens)
MacLean (Winnipeg North Centre)
Macquarrie
MacRae
McBain
McCleave
McDonald (Hamilton South)
McFarlane
McGrath
McGregor
McLennan
McPhillips
Martini
Matthews
Milligan
Montgomery
More
Morissette
Morris
Morton
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Noble
Nowlan
Nugent
O'Hurley
O'Leary
Ormiston
Pallett
Parizeau
Pascoe
Paul
Payne
Pigeon
Pratt
Pugh
Rapp
Regnier
Ricard
Richard (Kamouraska)
Robinson
Rogers
Rompre
Rowe
Rynard
Sevigny
Simpson
Skoreyko
Smallwood
Smith (Lincoln)
Smith (Simcoe North)
Smith (Winnipeg North)
Southam
Spencer
Starr
Stefanson
Stewart
Taylor
Thomas
Thompson
Thrasher
Tremblay
Valade
Villeneuve
Webb
Weichel
White
Winkler
Woolliams
Wratten—146.

[Mr. Speaker.]

Mr. Speaker: I declare the motion lost.

AGREEMENT FOR SALE OF WHEAT TO CHINA

Motion No. 6—**Mr. McIlraith:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of the long term agreement signed by the Canadian wheat board and the China Resources Company covering the period June 1, 1961, to December 1963.

Mr. Speaker: I take it the same considerations apply to this motion as to the one which the house has just considered? Does the hon. member wish to proceed?

Mr. McIlraith: I do, Mr. Speaker.

Mr. Speaker: Is it agreed that the members are called in?

Some hon. Members: Agreed.

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

YEAS

Messrs.

Allard
Badanai
Batten
Benidickson
Boivin
Boulanger
Bourque
Brassard (Lapointe)
Cardin
Caron
Carter
Crestohl
Dumas
Dupuis
Eudes
Forgie
Garland
Godin
Granger
Habel
Herridge
Howard
LaMarsh, Miss
Lessard
Loiselle
McIlraith
McIlraith
McWilliam
Martin (Essex East)
Martin (Timmins)
Matheson
Meunier
Michaud
Mitchell
Pearson
Pickersgill
Pitman
Richard (St. Maurice-Lafleche)
Roberge
Robichaud
Rouleau
Tardif
Tucker
Winch—44.

NAYS

Messrs.

Aiken
Aitken, Miss
Barrington
Baskin
Bell (Carleton)
Bell (Saint John-Albert)
Belzile
Bigg
Bourbonnais
Brassard (Chicoutimi)
Broome
Browne (St. John's West)
Browne (Vancouver-Kingsway)
Bruchesi
Brunsden
Cadieu
Campbell (Lambton-Kent)
Campbell (Stormont)
Cardiff
Casselman, Mrs.
Cathers
Chambers
Charlton
Chatterton
Churchill
Clancy

Cooper	McGregor
Creaghan	McLennan
Crouse	McPhillips
Danforth	Martini
Deschambault	Matthews
Diefenbaker	Milligan
Dinsdale	Montgomery
Dorion	More
Doucett	Morissette
Drouin	Morris
Drysdale	Morton
Dubois	Muir (Cape Breton North and Victoria)
English	Muir (Lisgar)
Fairclough, Mrs.	Nasserden
Fairfield	Noble
Fane	Nowlan
Fleming (Eglinton)	Nugent
Fleming (Okanagan-Revelstoke)	O'Hurley
Flemming (Royal)	O'Leary
Flynn	Ormiston
Forbes	Pallett
Fortin	Parizeau
Fulton	Pascoe
Green	Paul
Grills	Payne
Gundlock	Pigeon
Hales	Pratt
Halpenny	Pugh
Hamilton (Notre Dame de Grace)	Rapp
Hanbidge	Regnier
Henderson	Ricard
Horner (Acadia)	Richard (Kamouraska)
Horner (The Battlefords)	Robinson
Howe	Rogers
Johnson	Rompre
Jorgenson	Rowe
Keays	Rynard
Kennedy	Sevigny
Kindt	Simpson
Korchinski	Skoreyko
Kucherepa	Smallwood
Lafreniere	Smith (Lincoln)
Lahaye	Smith (Simcoe North)
Lambert	Smith (Winnipeg North)
Latour	Southam
Legere	Spencer
Lennard	Starr
Macdonnell	Stefanson
MacEwan	Stewart
MacInnis	Taylor
MacLean (Queens)	Thomas
MacLean (Winnipeg North Centre)	Thompson
Macquarrie	Thrasher
MacRae	Tremblay
McBain	Valade
McCleave	Villeneuve
McDonald (Hamilton South)	Webb
McFarlane	Weichel
McGrath	White
	Winkler
	Woolliams
	Wratten—147.

Mr. Speaker: I declare the motion lost.

WINTER WORKS PROGRAM, QUEBEC

Motion No. 15—**Mr. Paul (for Mr. Martel):**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of the correspondence exchanged between the federal government and the government of the province of Quebec, relating to the present winter works program.

Mr. Dorion: An order for return, with the reservation that the consent of the province be obtained.

Mr. Speaker: I did not hear what the minister said.

Mr. Dorion: It is to be an order for return, with the usual reservation concerning consultation with the province.

Mr. Speaker: Is the house prepared to accept Mr. Paul for the mover of this motion?

Some hon. Members: Agreed.

Mr. Speaker: Is it the pleasure of the house to adopt the motion, subject to the reservation expressed by the minister?

Motion agreed to.

TRADE

TEXTILES—REPORTED WORLD AGREEMENT FOR REGULATION

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Minister of Finance a question arising out of a press report that a five year agreement for regulating world trade in cotton textiles was concluded at Geneva on February 9.

Is Canada a party to this agreement, and could the minister give us any indication of its nature.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, I have had a preliminary report on this matter, and I think I might make a statement on it tomorrow.

[*Later:*]

Mr. Fleming (Eglinton): Earlier this afternoon, Mr. Speaker, the Leader of the Opposition asked me a question concerning the long term cotton textile agreement. I am informed that the text of the agreement is to be made public on Friday. In reply to the question asked me this afternoon I said that I might make a statement on this matter tomorrow. I think now that I should reserve my statement until Friday for this reason.

INDUSTRIAL FAIR, INDIA—INQUIRY AS TO PARTICIPANTS

On the orders of the day:

Mr. Guy Rouleau (Dollard): I should like to direct a question to the Minister of Trade and Commerce or, in his absence, to his parliamentary secretary. On Monday last, in answer to a question on the orders of the day, the minister said that Canada had not participated in the industrial fair held in India in 1961. Can the minister tell the house how many other countries participated in that fair?

Inquiries of the Ministry

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): We believe eleven participated, Mr. Speaker; Britain, West Germany, Italy, Japan and the entire bloc of east European countries.

NEW YORK WORLD FAIR—CANADIAN PARTICIPATION

On the orders of the day:

Mr. Guy Rouleau (Dollard): I should like to direct a question to the Minister of Trade and Commerce or, in his absence, his parliamentary secretary can take it as notice. Will the minister tell the house whether Canada received any invitation to participate in the 1964 New York world's fair and, if so, whether the invitation has been accepted either through the government or through a private organization in the country?

An hon. Member: Order paper.

Mr. E. L. Morris (Parliamentary Secretary to the Minister of Trade and Commerce): As the hon. gentleman kindly suggested, Mr. Speaker, I will take this question as notice.

UNITED NATIONS

DISARMAMENT—INVITATION TO ATTEND MEETING OF COMMISSION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the response of the governments of the United States and the United Kingdom to the proposed summit conference of heads of state at Geneva on March 14, is the Prime Minister now prepared to inform the house as to Canada's decision and what reply has been made to Premier Khrushchev?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the reply has been prepared and is under way for presentation to Mr. Khrushchev. Until it is received by him I know the hon. member will realize it would not be proper to place it before the house. However, so that the house will be fully cognizant of what Mr. Khrushchev's letter to me contained I suggest that his letter to me might be tabled, and that the reply also be tabled as soon as it has been received by him.

Mr. Speaker: Is it agreed that the letter in question be tabled?

Some hon. Members: Agreed.

LABOUR CONDITIONS

NEWFOUNDLAND—INQUIRY AS TO LAY-OFFS OF MINERS

On the orders of the day:

Mr. J. A. McGrath (St. John's East): Mr. Speaker, I wish to direct a question to the Minister of Labour, and regret not having had an opportunity of sending him notice. Is the minister aware that a statement was made in St. John's today by the premier of Newfoundland to the effect that Dominion Steel and Coal Corporation anticipates laying off 700 of their personnel at the Wabana mines, Bell Island? If so, will the minister look into the circumstances surrounding this lay-off?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I am not aware of the statement to which the hon. member refers, but I shall be glad to look into the situation and have a report prepared for the hon. gentleman.

NEW WATERFORD, N.S.—THREATENED CLOSURE OF COLLIERY

On the orders of the day:

Mr. H. J. Robichaud (Gloucester): Mr. Speaker, I wish to direct a question to the Minister of Mines and Technical Surveys. Will the minister inform the house whether the government has received a request from the government of Nova Scotia for a meeting on the threatened closure of No. 16 colliery at New Waterford?

Hon. Jacques Flynn (Minister of Mines and Technical Surveys): The answer is no, Mr. Speaker.

CANADIAN BROADCASTING CORPORATION

REPORTED PROTESTS AGAINST SUNDAY PROGRAM "QUEST"

On the orders of the day:

Mr. E. W. Brunsden (Medicine Hat): Mr. Speaker, may I direct a question to the Minister of National Revenue. My question arises from protests about a Sunday evening television program entitled "Quest", variously described to me in letters I have received as "depraved", "disgusting", "absolutely immoral", "garbage", and "a rank violation of the sanctity of the Canadian home and family".

My question is this. Will the minister lend his influence toward the removal of this program shown, of all times, on Sunday evenings, and ensure no repetition under other names? Further, will he take steps to institute some controls over the apparently degenerate minds which often appear to have completely taken over C.B.C. programming?

Hon. George C. Nowlan (Minister of National Revenue): Mr. Speaker, as a good Baptist I am in church on Sunday nights, so I have not had occasion to watch the program in question.

If I were to answer the question in short I would say no, because it has been the policy of this government from the beginning, as it was the policy of the previous government and as I hope it will always be the policy of federal governments, not to interfere with the programming of the C.B.C.

Some hon. Members: Oh, oh.

Some hon. Members: Shame.

Mr. Nowlan: I hear some catcalls—

Mr. Benidickson: On the government side of the house.

Mr. Nowlan: However, I suggest that if we were to start interfering with the programming of the C.B.C. we would be laying the foundation for either a fascist state or a communist state.

Some hon. Members: Hear, hear.

Mr. Nowlan: Once a political party starts interfering with the C.B.C. which is a publicly owned system created for the various purposes which I need not enumerate now, then the groundwork is laid for such a situation to develop. Having said that I should also like to say this. I have been disturbed by the number of protests which I have received during the last few weeks about programs similar to the one to which the hon. member calls the attention of the house.

Some hon. Members: Oh, oh.

Mr. Benidickson: Applause from the government side.

Mr. Nowlan: The C.B.C. is a self governing, independent corporation. I think many people have the idea that the corporation is run from Toronto. It is not governed from Toronto; it is controlled by senior officers here in Ottawa. I receive many complaints similar to that raised by the hon. gentleman. All I can do is pass them along to the C.B.C. I suspect that many complaints go to officials in Toronto some of whom are perhaps the very ones responsible for the programs complained of. They may send a polite letter of acknowledgement and toss the protest in the waste basket.

I suggest that complaints should be forwarded to the senior officers of the C.B.C. in Ottawa, Mr. Ouimet, the president, Captain Briggs, the vice-president, and their associates. There is no more able group of senior officers in the public service. Protests should be sent to them so they may hear what the Canadian people are saying, and deal with the censorship of this organization. Sometimes I feel it should be dealt with, but this must be done by the corporation and not by the government or any political party.

Mr. Benidickson: Does this follow a morning caucus?

MONTREAL—NEGOTIATIONS RESPECTING CONSTRUCTION OF BUILDING

On the orders of the day:

Mr. Gerard Loiselle (St. Ann): I wish to direct a question to the Minister of National Revenue. Can the minister inform the house whether there is any new development in the negotiations between the government and the city of Montreal in order to have the C.B.C. building constructed in the east end of Montreal?

Hon. George C. Nowlan (Minister of National Revenue): There is nothing further I can report at the moment, except that negotiations and conversations are being carried on between the various parties. When a decision has been reached the house will be informed of it.

GRAIN

INQUIRY AS TO ISSUE OF ACREAGE PAYMENT CHEQUES

On the orders of the day:

Mr. R. L. Hanbidge (Kindersley): Mr. Speaker, I should like to direct a question to the Prime Minister. Is the Prime Minister in a position to state when it is expected that cheques will be issued for acreage payments to western farmers?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I understand that within the week the issue of cheques will commence, and that it will take approximately four weeks to complete all payments approved under the recent vote of the house.

Hon. Paul Martin (Essex East): A supplementary question, Mr. Speaker. Is the Prime Minister aware that the Minister of Agriculture said last November that the cheques could not be provided at that time because of a breakdown in the machinery of the Department of Finance?

An hon. Member: At that time.

Mr. Diefenbaker: Mr. Speaker, I do not agree with the suggestion advanced by the hon. member. It again represents a characteristic misinterpretation by him, with no basis in fact, of a reported statement. What the Minister of Agriculture stated was that with the number of cheques that were going out in connection with the wheat board payments it would be impossible, even if parliament were in session, to have issued the payments then.

Inquiries of the Ministry

HOUSE OF COMMONS

INQUIRY AS TO GENERAL ELECTION

On the orders of the day:

Miss Judy V. LaMarsh (Niagara Falls): Mr. Speaker, I should like to direct a question to the Prime Minister. Will the Prime Minister advise the house whether in selecting a date for dissolution he is prepared to be guided by his colleague, the Minister of Labour, in the slogan "Why wait for spring, do it now".

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I am glad to see the hon. gentleman back in her place in the house. All I can say is that the attitude of the opposition does not indicate that they desire an affirmative answer to that question.

Mr. Pearson: Is the Prime Minister aware of the fact that in his confusion he referred to the hon. lady as "the hon. gentleman"?

(Translation):

LONGUEUIL—REPORTED FEMALE CANDIDATE TO OPPOSE MINISTER

On the orders of the day:

Mr. Yvon Dupuis (St. Jean-Iberville-Napierville): Mr. Speaker, I should like to direct a question to the Associate Minister of National Defence. Is the minister aware that he might have a woman as his opponent in Longueuil, at the next general election?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, I am very glad to hear the good news and I hope to be given the opportunity of meeting her in a public debate on the hustings.

(Text):

SPORTS

SPEED SKATING—REQUEST FOR ASSISTANCE TO CANADIAN COMPETITOR

On the orders of the day:

Mr. George Chatterton (Esquimalt-Saanich): I should like to direct a question to the Minister of National Health and Welfare or in his absence to his parliamentary secretary. It has been reported that Paul Enock, who set a world speed skating record for 3,000 meters while competing at Hamar, Norway, may have to cease representing Canada owing to exhaustion of funds. Can the parliamentary secretary indicate whether some assistance might be extended to this outstanding Canadian athlete?

Mr. L. E. Cardiff (Parliamentary Secretary to the Minister of National Health and Welfare): Mr. Speaker, I know the minister and all Canadians would want me to congratulate this young man on the world speed skating record he has established.

A request for assistance toward the travelling expenses from Oslo to Moscow was received here while the first meeting of the national advisory council on fitness and amateur sports was in progress last week. The minister brought this request from the president of the national amateur speed skating association to the attention of the advisory council's chairman, and I am happy to state that a grant was recommended. This has gone forward to Mr. Enock in Oslo, and should be in his hands by now.

POWER

MEETING WITH PREMIERS RESPECTING NATIONAL GRID

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to direct another question to the Prime Minister. In view of the further correspondence tabled in the Quebec legislature between the Prime Minister and Premier Lesage in respect to the convening of a conference of premiers to consider a national grid system, would the Prime Minister advise the house as to what progress has been made in the negotiations with the respective premiers, and whether he is prepared to confer at an early date with those provinces which have expressed an interest in such a proposal.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I cannot speak off the cuff as to the number of provinces which have replied. However, I will have that matter looked up.

DRUGS

INQUIRY AS TO ACTION TO REDUCE PRICES

On the orders of the day:

Mr. Walter Pitman (Peterborough): I should like to direct a question to the Minister of National Health and Welfare, or in his absence the parliamentary secretary might take it as notice. Has the minister seen the Alberta government brief to the royal commission on health services calling for the establishment of a federal government agency to examine the cost-revenue position of certain drugs and take action to reduce prices? If so, can the minister comment on whether his department has made any study of the feasibility of such a plan or of taking such action?

An hon. Member: Order.

Mr. L. E. Cardiff (Parliamentary Secretary to the Minister of National Health and Welfare): I will take the hon. member's question as notice.

SHIPPING

DUTY FREE ADMISSION OF NETHERLANDS-BUILT TUG TO CANADA

On the orders of the day:

Hon. George C. Nowlan (Minister of National Revenue): Yesterday the hon. member for Victoria, B.C. (Mr. McPhillips) asked a question with respect to the foreign built tug *Ocean Master*.

In reply I should like to say that this tug, which is Canadian registered and has been for some time operating internationally, has, by decision of the treasury board, been permitted entry for the purpose of engaging in the coasting trade for a period of six months, on payment of customs duty and sales tax at the prescribed rates but on a prorated value. This action was taken on the joint recommendation of the Minister of Transport and myself, following careful consideration of all the circumstances of the case.

NATIONAL DEFENCE

EXPRESSIONS OF OPINION BY SENIOR OFFICERS

On the orders of the day:

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, yesterday a question was asked in the house concerning the stand of the Department of National Defence with regard to views expressed publicly by senior officials critical of other departments and agencies of governments. This question was based on alleged remarks made last Sunday by a senior naval chaplain relating to the Canadian Broadcasting Corporation.

I am informed that the report of these remarks appeared in one of the local newspapers on Monday. A Royal Canadian Navy padre in fact delivered a Sunday sermon at a civilian church here in Ottawa at the request of the local parish priest, who had to be away. Under these circumstances it is not considered that there is any necessity for the Department of National Defence to take any particular stand on the matter. The padre who delivered the sermon asserts that he asked that the programming of the C.B.C. at all times be in line with the precepts of Christian doctrine. He refuses to admit the allegations which were imputed to him in the article.

CIVILIAN WAR PENSIONS

AMENDMENTS EXTENDING PAYMENTS TO CERTAIN GROUPS

The house resumed, from Tuesday, February 13, consideration of the motion of Mr. Churchill for the second reading of Bill No. C-64, to amend the Civilian War Pensions and Allowances Act.

Mr. Carter: Mr. Speaker—

Mr. Speaker: Perhaps the hon. member would wait a minute before he begins in order to give the house a chance to settle down.

Mr. C. W. Carter (Burin-Burgeo): When the house rose last night at ten o'clock, Mr. Speaker, I was in the process of clarifying a statement I had made on Friday last in the debate on the resolution. I was clarifying the statement because on Monday the minister intervened in the debate to take exception to what I had said.

For the sake of continuity, perhaps I might be permitted to recapitulate briefly what I said last night so that it will not be necessary for readers of this debate to refer to yesterday's *Hansard*. When I intervened in the debate on Friday I said that if the bill became law it would have the effect of setting up in Newfoundland two different categories of foresters, category one comprising those who served in the Newfoundland forestry unit during world war I, who have been recognized as veterans and have already been included under the veterans charter, and category two comprising those veterans who served in the forestry unit during world war II but who are classed as civilians under this legislation.

The minister took exception to my using the word "now". In using that word I was referring to the changes that would come about when this bill becomes law, because while heretofore we have not recognized the Newfoundland foresters of world war II for purposes of pension rights and while we have not recognized them as veterans, we have not classified them—

Mr. Browne (St. John's West): You did not pay them anything at all.

Mr. Carter: I wish to tell the hon. member that I will answer any questions he wishes to ask after I have finished, but I prefer not to be interrupted while I am making my remarks. I am not reading a prepared speech and I have very few notes. I do not wish to be interrupted. The effect of this legislation is to impose upon these men a classification

that did not exist before, and we have gone out of our way to do so. Last night I referred to section 75(1)(g) which is in these words:

(1) For the purposes of this part "civilian" means—

(g) a person who served with the Newfoundland overseas forestry unit in the United Kingdom during world war II for a period of at least six months and who contracted to serve with that unit for the duration of the said war.

That involves a definite pronouncement on the part of parliament with respect to this particular group of Newfoundland foresters. The hon. member for York-Sunbury (Mr. MacRae) indicated in his intervention that he is opposed to having the world war II foresters of Newfoundland recognized as veterans. He made this quite clear; and so that I cannot be accused of interpreting his remarks wrongly I will put on *Hansard* a quotation from the hon. member's speech, as found on page 787 of *Hansard*:

I do take objection to statements which have been made by my good friends, the hon. members for Kootenay West and Burin-Burgeo, contending there was no distinction between the Canadian forestry corps of world wars I and II and the Newfoundland foresters. There was the greatest distinction inasmuch as the Canadian forestry corps of world wars I and II were soldiers of the Canadian army and as such were liable for service anywhere in the world. Many were men with several decorations from the first world war. They were members of the Canadian army and as such they could be assigned to service anywhere.

Whether the hon. member was voicing his own personal opinions or voicing the attitude of the government, I am not able to say, but the thinking inherent in the passage I have just quoted corresponds with the thinking we have in the bill before us. What is this great distinction, Mr. Speaker? When we analyse the matter we find that it boils down purely to a technicality, the manner in which these people were recruited and nothing else. I want to tell the hon. member for York-Sunbury that in the Newfoundland overseas forestry unit of world war II there were many men who had served in world war I and had been decorated. There is no difference there. The hon. member said that those who were in the Canadian army could be moved anywhere. I believe that is true of the Newfoundland forestry unit. They were under the orders of the British government and if the British government had seen fit to move them to Scotland, France or Timbuktu they would have had to go. There is no difference there.

The only real distinction involves a technicality which has to do with the manner in which the units were recruited in the first place. What the hon. member is saying is that a technicality such as this outweighs the actual service these people performed. Surely what we are doing in this bill is recognizing service—not the conditions under which men were enlisted to perform that service but the actual service which they performed and the conditions under which they performed it. If I understand the bill, that is what we are doing. My hon. friend however says that service is not important, that the only important thing is the manner in which they were enlisted.

Mr. Creaghan: I wonder whether the hon. member would permit a question at this point. Would he place on record, if he has them, statistics as to the number of persons involved who served in world war II and who had previously served in a military manner in world war I in order that we can see whether a minority or the majority would be protected if the law were amended?

Mr. Carter: I am sure it is not reasonable to expect me to have such statistics at my fingertips at this moment.

Mr. Creaghan: Would it be half the men?

Mr. Carter: I do not know. All I can say is that there were a number of them. The hon. member for York-Sunbury did not give statistics. He just said there were a number of people involved. That is what I am saying so far as the Newfoundland forestry unit is concerned.

Mr. Creaghan: The ones who served in world war I are automatically included.

Mr. Carter: Under certain conditions they are veterans, yes. This is true in every case.

I am concerned with something else which the hon. member said because he seemed to question statements that the men who enlisted in the Newfoundland forestry unit in world war II were frozen in their occupation and not permitted to transfer to other branches of the armed services. I should like to read some more from the same page and same paragraph of *Hansard* from which I was reading:

As a matter of fact, when 8,000 Canadian foresters in the second world war were stationed in northern Scotland beside the Newfoundland foresters, every month so many of them were requested to transfer to the units in southern England, in Sicily and in Italy. A great many did go, and many became casualties. I do object to the statement that the Newfoundland foresters were not permitted to transfer. Perhaps that is so up to a point, but I know of several cases where foresters in northern Scotland transferred to the Canadian army and then went on to serve in southern England and in different theatres of war.

Whether or not he is talking about the Newfoundland members or the Canadians at that point, I am not certain. However, the hon. member does take objection to the statement that these people were frozen in their units and not permitted to transfer to other branches of the armed services. I should

like to refer my hon. friend to the brief which the Newfoundland overseas forestry unit submitted to the standing committee on veterans affairs on March 31, 1960. Under heading No. 6, we find this statement:

How important was the work of the Newfoundland overseas forestry unit to the winning of the war?

Then, having asked this question the brief proceeds to answer it as follows:

This question can be answered best by referring to a communication from the secretary of state for dominion affairs to the governor of Newfoundland dated June 5, 1940 and it is herewith quoted in full:—

No. 376, Confidential. Your telegram of May 16th. No. 269, paragraph 1. Steps are being taken by Turner to ascertain which loggers propose to enlist in fighting or other services on expiry of their term of engagement and result will be communicated to you when known.

Necessity of increasing output of pitwood produced in this country is of such vital urgency that as you know, in addition to asking you to send 1,000 more men we have taken special steps to persuade as many loggers as possible to re-engage with Newfoundland forestry unit for further term. It has been suggested that it would be useful if the government were also to publish in all logger camps here statement regarding great value of work being done by unit and appeal to the men to continue in present employment. We are prepared to do this if result of census referred to in preceding paragraph makes it necessary and hope that the government of Newfoundland would be willing to associate themselves with the United Kingdom government in such an appeal if made. If you agree we will telegraph to you for concurrence in text of suggested appeal.

Then, the telegram continues in another paragraph:

In spite of everything certain number of men may decide to enlist in the army. We have discussed with the war office your proposal that they should be given opportunity of joining Newfoundland heavy regiment. War office have pointed out that they are forming 28 forestry companies of royal engineers for which there is urgent demand and that while these companies will be part of the fighting forces they will provide the best opportunity of making military use of special skilled Newfoundland loggers. It is not proposed to do anything to hinder anyone who is set on joining Newfoundland heavy regiment from doing so but Turner—

That is Captain Turner, the commander.

—will be asked to explain carefully to all who definitely decide to volunteer for the army the importance and advantage of joining these companies and to use his influence to induce as many of these men as possible to enlist in them. Strength of each company will be 140 men and if sufficient men are forthcoming they will be kept together and company in which they are posted will bear the name of "Newfoundland".

Need of men skilled in forestry is so urgent that we should be grateful if recruiting organizations in Newfoundland could be advised to exercise special caution in accepting any skilled loggers as recruits for royal artillery regiment.

Mr. MacRae: What date was that?

Mr. Carter: This telegram was sent on June 5, 1940.

The brief continues as follows:

It will be noted that from this time on, not only did the Newfoundland government instruct recruiting organizations accordingly but each individual who joined the Newfoundland overseas forestry unit had to sign a contract for the duration in which there was a clause to the effect that he could not be transferred to any other unit or to any of His Majesty's armed services and instructions were issued to the camps that no member could join His Majesty's forces as his logging work was of the most extreme importance.

I think that should satisfy the hon. member for York-Sunbury (Mr. MacRae). This is an official document which has been quoted, and if the hon. member is not prepared to take the word of the loggers themselves, he could easily have it verified. These men were limited in this way and that was a technicality which was a disadvantage to them. It is true that for the first six months they were permitted to transfer, and many of them did. After the first six months, the contract was put into effect, and it was impossible for anybody who joined the forestry unit to transfer to another branch of the armed services.

Furthermore, any person who was joining up and who had not joined the loggers unit but who went to a recruiting station—

Mr. Churchill: Will the hon. member permit a question?

Mr. Carter: Yes.

Mr. Churchill: Is the hon. member prepared to advance the same argument in connection with the other categories, because if he is obviously the bill is not satisfactory to him and he will have to vote against it.

Mr. Carter: I do not know whether or not I am prepared to advance the same arguments on behalf of all categories, but I am certainly prepared to advance them on behalf of the foresters, the merchant navy and the firefighters. I do not know enough about what was involved in the work of the other services to have an opinion.

Now, Mr. Speaker, having put first things first, I want to deal with a statement that was made by the hon. member for St. John's East (Mr. McGrath) which is found on page 790 of *Hansard*. The hon. member quoted a question I was asked on Friday last at the end of my remarks. The question was asked by the hon. member for Okanagan Boundary (Mr. Pugh). I read from page 742 of *Hansard*:

Mr. Pugh: I should like to ask the last speaker a question. When did the foresters of Newfoundland first ask that their case be heard by brief or otherwise, and by the Legion or otherwise?

Mr. Jones: 1949.

Mr. Carter: I do not really know when they first asked. I know that they appeared before the parliamentary committee in 1958.

Mr. Pugh: You have no knowledge of anything earlier?

Mr. Carter: No, I have no knowledge.

In his reference to that quotation the hon. member, strangely enough, omitted to complete the passage, because had he finished the quotation in which I said I had no knowledge, the rest of his statement could not have held any water at all. Then having quoted me partially he went on very condescendingly to say he was sure I did not mean to mislead the house. Mr. Speaker, what utter nonsense. How can I mislead the house when I am speaking for myself and when I am telling the truth, and the fact is that I had no further knowledge; I had no personal knowledge. The hon. member for St. John's East (Mr. McGrath) finds this very surprising, because he said earlier that he was very surprised at this.

No intelligent Newfoundlander who has any knowledge of the background of events leading up to confederation and the years following should be surprised by that statement. I can quite understand hon. members from the mainland being surprised by it; that would be quite natural. But it is certainly not natural for a Newfoundlander to be surprised by it, because there are very logical explanations for it which I wish to put on the record.

The first explanation is this. For 15 years prior to 1949 Newfoundlanders had not any responsible government; they had not any members to represent them in the local government or anywhere else. So they had—

Mr. Speaker: Order. Would the hon. member permit me to interrupt. I have been trying to relate what he says to the principle of the bill. I take it that his remarks are addressed principally to subsection 1(g) of section 75, relating to the Newfoundland overseas foresters unit. As I understand it, the principle of the bill concerns whether pensions shall be paid to certain civilians on the same basis as if they had been military personnel. There is no general principle about who the civilians are; they are categorized in a dozen different categories.

While the hon. member's remarks are appropriate to the bill, they seem to me to come more naturally in the committee stage when the section is called. What the hon. member is saying now does not seem to bear very directly on the general principle of whether it is appropriate to provide for pensions to certain civilians who served in a civilian capacity in the war.

Mr. Pickersgill: Mr. Speaker, I wonder whether I may just say a word on the point of order. It seems to me that what my hon. friend from Burin-Burgeo is doing is suggesting that the principle of including the foresters among those categories of persons who are to be regarded as civilians is not the best way to deal with this problem, that the more acceptable way would be to treat them as the Canadian foresters were treated and as the Newfoundland foresters were treated in world war I, as veterans and having the status of veterans.

It seems to me this touches the very principle of the bill, which is that certain categories of persons should be paid these war veterans allowances as civilians and not as veterans. While I have no doubt that the matter could be discussed in committee, it does seem to me that the principle as to whether they are an appropriate group to be included in this category, or whether they might more appropriately be considered in another category, is really an appropriate subject for second reading rather than the committee stage.

Mr. Browne (St. John's West): Mr. Speaker, did I understand from the remarks of the previous speaker that they should not be included in this bill at all but should come under another bill?

Mr. Pickersgill: I do not think that is an exact interpretation of what I said. I said it seemed to me that my hon. friend was arguing—and I am not talking about my own argument, because it was his argument that was in question—that it would be preferable that they be included in the War Veterans Allowance Act and treated as veterans and not as civilians.

It seems to me that discussion on the principle of a bill has always been considered wide enough to suggest that the objective of the bill in certain particulars could be better accomplished in another way. It seems to me that is all my hon. friend was doing. He was certainly not opposing the principle.

Mr. Speaker: I do not wish to limit the discussion. I understood the hon. member who had the floor to be saying, "I do not disapprove of paying pensions to civilians, but these Newfoundland foresters are not properly civilians in relationship to these pensions and should be treated as veterans". If that is so, it seems to me he is not opposing the principle and he should perhaps discuss the inclusion of this category as civilians at the committee stage. However, perhaps the simplest way is for the hon. member to complete his argument now, and he will not have to repeat it at the committee stage.

Mr. McGrath: Mr. Speaker, on the point of order, it is understood that hon. members will

be given the same latitude as the hon. member for Burin-Burgeo (Mr. Carter)?

Mr. Speaker: It has always been the principle that has been followed that if debate is relevant to one hon. member, it is relevant to another. If hon. members wish to debate this matter now rather than in committee, I cannot object; but I point out that it is more appropriately a matter for the committee stage.

Mr. Pickersgill: I take it that Your Honour is just giving the house an opinion and is not making a ruling, because it does seem a rather restrictive opinion.

Mr. Carter: Mr. Speaker, if I may speak a minute or two on my own point of order, I thought I was in order on two counts.

Mr. Speaker: The hon. member may proceed.

Mr. Carter: Thank you, Mr. Speaker. The whole force of my argument is not to say that I am against the principle of the bill. I made it quite clear last evening that I am in favour of the principle of this bill, but what I am against is the manner in which the principle is being applied, the method or the vehicle that is being used to apply it. I think a much more appropriate method would have been to amend the definition in the War Veterans Allowance Act.

Mr. Churchill: The hon. member wants to strike these people out of this act; is that the idea?

Mr. Carter: If you are prepared to enlarge the definition of a veteran in the War Veterans Allowance Act to include them.

Mr. Pickersgill: As we asked last year.

Mr. Carter: Yes. I was only asking, when Your Honour interrupted, that I be accorded the right to reply to statements made by the hon. member for St. John's East who expressed surprise that nothing was done, that we heard so little about it in all these years from 1949 to 1956.

I think hon. members should understand the reasons for that, and they are very simple. One reason is that for 15 years Newfoundlanders had no representatives at all; they had no vote, and they were not in the habit of referring problems to their members. They were not in the habit of even thinking in those terms.

Some hon. Members: Oh, oh.

Mr. Carter: It would have been very surprising to me if they had, after 15 years. People do not change their habit of working overnight and again, I say, there is nothing surprising about that. That is certainly one argument. I want to reply to the hon. member's question. He questioned my reply to the hon. member for Okanagan Boundary (Mr. Pugh) when I said that was the first knowledge I had. The first knowledge I had of any concerted action was around 1958. During my first session in parliament my constituents did not write to me about veterans problems. The main things they wrote to me about were provincial matters, breakwaters, wharves, and things like that. They had to get used to having elected representatives. They could not all become mainland Canadians overnight.

What I have just said applies to the population generally, but here we are speaking about a special group of veterans who did not have any knowledge of this veterans charter. It took them years and years to find out what their rights were. They did not know. The authorities got in touch with them and they accepted without question whatever decisions were handed down. It was only when I began making my own analysis on the basis of the questions which had come to my attention that I began to discover the evidence. Thus, the answer to the hon. member's question as to why we did not initiate action on our own part is that it certainly did not occur to me that the terms of union were not being carried out, in particular the provision which said that Newfoundland veterans would be treated in exactly the same way as if they had served in the Canadian forces. It took me years before I could bring myself to believe that this was not being done. These are all good reasons, and the hon. member for St. John's East (Mr. McGrath) should know these reasons. Certainly, he should be the last one in this house to be surprised.

Before I sit down I want to refer briefly to the merchant seamen, the men who are also classified here as civilians. Clause 75(1)(a) states:

> For the purposes of this part "civilian" means a person who
>
> (i) served at sea in a ship of Canadian or Newfoundland registry during world war I or world war II for a period of six months—

I do not intend to repeat what I said on previous occasions about the services of the merchant marine. All I want to put on record is one case in order to show what this legislation is doing. I know of a merchant seaman who served with such devotion to duty that he was awarded the 1939-45 defence medal, the 1939-45 war medal, the 1939-45 Atlantic star, the 1939 star, the 1939-45 Italian star and the France and Germany star. He had six medals; yet we bring out a bill which says to that man, and to men like him: You are not a veteran, you are

a civilian. That is why I object to the method which is being followed. We are making these men eligible for war veterans allowances—the same allowances which are available to other veterans under the War Veterans' Allowance Act. It seems to me we could achieve our object much more simply by extending the definition of the word "veteran" in the War Veterans' Allowance Act rather than by this roundabout way of bringing in an addition to the Civilian War Pensions and Allowances Act.

Mr. H. W. Herridge (Kootenay West): I rise to express the support of this group for the principle and purpose of this bill. From my point of view, the principle of this bill is to make provision for certain persons who served during the war to receive the benefits of the War Veterans Allowance Act.

I quite agree with the argument put forward by the hon. member for Burin-Burgeo (Mr. Carter). Throughout the years I have always been of the opinion, together with several other members of the committee, that the firefighters, the merchant seamen and the Newfoundland foresters—since I have heard about their case and heard their representations—should be considered as veterans. However, that is a matter which can be dealt with when we come to the clause in question.

We are very pleased indeed to see these persons receive the benefits of the War Veterans Allowance Act. There was a general and somewhat lengthy discussion on the resolution stage so I do not intend to say anything further at this time. Any additional remarks I may wish to make will be in the nature of questions when the bill is before us for detailed consideration.

Mr. J. A. McGrath (St. John's East): I also wish to rise and support the principle of the bill and to say, as I did the other night on the resolution stage, that in my opinion the surviving veterans of the Newfoundland overseas forestry unit will receive this measure with general acceptance.

Having said that, notwithstanding what had been said in this house this afternoon by the hon. member for Burin-Burgeo, I think it would be appropriate at this time to place on the record certain excerpts from the report of the standing committee on veterans affairs dated March 31, 1960 to which the hon. member referred, I believe. I think this is apropos the discussion because this report states—again, notwithstanding what the hon. member said to the contrary—that repeated representations were made to the government of Canada subsequent to union in 1949 and up to the presentation of the brief to the standing committee in 1960.

Mr. Carter: Is the hon. member suggesting I had knowledge of those representations?

Mr. McGrath: No. I am not questioning the validity of what the hon. member has said. He has said he had no knowledge of them and I accept that as a true statement. Nevertheless, the record speaks for itself in this regard and I intend to show where the record is not in accordance with the views of the hon. member who just resumed his seat. The witness whose statements are reported on page 105 of the report is Mr. Curran who was the president of the Newfoundland overseas forestry unit association. This is the association of the veterans of this unit in Newfoundland today—the association which presented the brief to the committee. Replying to a question asked by the hon. member for Kootenay West (Mr. Herridge), Mr. Curran said:

> Well, sir, we were dealing until the present P.C. administration came into power with the veterans affairs branch. We were not getting very far.

The report goes on:

> Mr. Herridge: Whom were you dealing with?
>
> Mr. Curran: I cannot say offhand. I think we had correspondence with the minister and the deputy minister.

Again, as reported on page 109, the record shows the following exchanges. Mr. Curran is replying to a question asked by the hon. member for Brandon-Souris (Mr. Dinsdale).

> Mr. Dinsdale: Mr. Chairman, I am interested in the progress of this brief. When was it first presented to anyone?
>
> Mr. Curran: It was prepared to be presented in 1952 or 1953.
>
> Mr. Dinsdale: Presented to whom?
>
> Mr. Curran: I cannot say. You will have to ask our solicitor. He came up to Ottawa, he went to the Department of Veterans Affairs, I believe, and he did not get very far there so he packed up and came back home.

That was in 1952 or 1953.

Even at that time the hon. member for Burin-Burgeo was a member of this house, a supporter of the government of the day. If I am not mistaken, at that time the hon. member for Bonavista-Twillingate was the representative of Newfoundland in the cabinet, and I believe secretary of state. The hon. member for Grand Falls-White Bay-Labrador (Mr. Granger) was there at that time serving as executive assistant to the minister from Newfoundland.

Mr. Pickersgill: Mr. Speaker, I am sure the hon. gentleman wishes the record to be straight. I was only elected to parliament in August of 1953 and I was not in parliament

for the greater part of the year 1953, although the hon. member for St. John's West was.

Mr. McGrath: Mr. Speaker, the hon. member is clearly out of order. He was caught short. I believe he should remain seated until I have concluded my remarks.

If I may continue I would draw the attention of the house to page 113 of the report of the standing committee on veterans affairs of March 31, 1960 where there is recorded an exchange between Mr. Curran and the hon. member for Burin-Burgeo:

Mr. Carter: When you started to come before this committee you had to start to document the statements in order to back up the evidence.

Mr. Curran: We tried in 1949, 1950 and 1951, I believe, and got nowhere. We did not even get to first base. Then we had a change of government in 1957 so we made an approach again. We have no large amount of funds and we could not keep on pushing all the time. When we had the change of government, let us say we got to first base.

With respect to further evidence, I can only refer to the fact that these letters exist, because at the time of the presentation of the brief the premier of Newfoundland, one of the parties concerned, withheld his permission to the tabling of the correspondence. The existence of the correspondence and the dateline of the letter are, I believe, of significance to my argument. The letter is headed: Province of Newfoundland, office of the premier, July 3, 1950. It is addressed to the then minister of veterans affairs, Milton Gregg, and deals with the subject of recognition for the Newfoundland overseas forestry unit under existing legislation. In his letter the premier indicated that he was sending copies to the then prime minister and the Hon. Gordon Bradley who was the predecessor of my friend the hon. member for Bonavista-Twillingate. At that time Mr. Bradley was secretary of state and the representative of Newfoundland in the federal cabinet.

On the record there is also a copy of Mr. Gregg's reply which unfortunately could not be appended to the evidence because permission was not forthcoming from the premier to have the correspondence tabled. Again, however, the existence of the correspondence and the date are of significance. The communication is dated July 3, 1950.

Over the years there have been repeated representations made on behalf of these veterans to receive some form of recognition under a government which between the years 1953 and 1957 enjoyed the support of all the constituencies in Newfoundland. In that period the seven Newfoundland federal constituencies returned Liberal members. Notwithstanding this fact the pleas of this group fell on deaf ears.

Now that this government is showing such great interest in making provision for this worth-while group of Canadian citizens under the Civilian War Pensions and Allowances Act my hon. friends opposite from Newfoundland constituencies rise in this house and say the government is not going far enough. Calculating it rapidly, they are approximately 13 years late. However, the reason for their present behaviour is apparent. There are over 3,000 Newfoundland foresters resident in the constituencies of the hon. gentlemen to whom I have referred. When you include their dependants there is a substantial bloc of votes, at least 10,000, in the constituencies of Bonavista-Twillingate, Burin-Burgeo, Grand Falls-White Bay-Labrador, Trinity-Conception and Humber-St. George's. One really cannot blame hon. gentlemen opposite for their present attempt to jump on the bandwagon. However, the fact remains that again they are too late. They sat on the government side of the house for eight years and did nothing on behalf of this group. Now they are attempting to cash in on the constructive action taken by this government and the present minister.

I believe that the president of the association of the Newfoundland overseas forestry unit will take a dim view of the fact that the hon. member for Burin-Burgeo has tried to divide the house on this issue. It is evident the hon. member is going to introduce an amendment with respect to recognition of the status of this group as veterans when we reach committee stage. What does the association have to say about this matter? Nothing was said about this by the hon. member for Burin-Burgeo, and for very good reason. At page 98 of the minutes of proceedings and evidence of the standing committee on veterans affairs of March 31, 1960 is set out the brief of the Newfoundland overseas forestry unit. I quote from the preamble to the brief:

We submit with all sincerity and without fear of serious or conscientious contradiction that had there been a Canadian counterpart of the Newfoundland overseas forestry unit—that is, had the Canadian forestry corps not been in uniform—the necessary provisions would have been inserted in the veterans charter—

The next part is significant:

—or the Canadian Civilian War Pensions and Allowances Act and/or they would have been covered by the Special Operators War Service Benefits Act.

That is exactly what this government has done. In accordance with the request of the association this deserving group of Canadian citizens has been included under the provisions of the Civilian War Pensions and Allowances Act.

At page 107 of the report of the standing committee the following exchange is reported as having taken place between Mr. Curran and my friend the hon. member for Pictou (Mr. MacEwan):

Mr. MacEwan: Mr. Chairman, I would like to ask Mr. Curran, I understand from the first page of your brief that your association believes that there is sufficient legislation on the books of the federal government in Canada today to cover you?

Mr. Curran: If the necessary amendments could be made to include us.

Mr. MacEwan: These different acts you have detailed—the Civilian War Pensions and Allowances Act, the Special Operators War Service Benefits Act and so on. Do you think they could be made applicable to you?

Mr. Curran: I think so, sir. As we said in the brief, at the time the various veterans acts were formed here in Canada, there was no thought, I hope, of including Newfoundland because Newfoundland was not in confederation at that time.

The point I make here is that again Mr. Curran has referred to the fact that they would be perfectly satisfied to have recognition of their services included in the Civilian War Pensions and Allowances Act.

For the reasons I have outlined, I think it would be very prudent on the part of the hon. member for Burin-Burgeo not to pursue this matter further. I have indicated beyond any doubt that it is perfectly acceptable to the surviving veterans of the forestry unit. It is becoming increasingly evident that my hon. friend is trying in a narrow and partisan way to interject into this debate a division which I sincerely hope will not take place with respect to this important measure. I can only conclude that the reason my hon. friend, the learned member for Burin-Burgeo, is injecting this partisan note at this time and is trying to split hairs is that he realizes that for eight years they missed the boat and they are now trying to get on board.

Mr. Speaker: Is the house ready for the question? I must inform the house that if the minister speaks now he will close the debate.

Hon. Gordon Churchill (Minister of Veterans Affairs): I had no intention, Mr. Speaker, of saying anything further with regard to this subject until I listened to the hon. member for Burin-Burgeo (Mr. Carter) last night and again today. I think he has been very effectively answered by the hon. member for St. John's East (Mr. McGrath) who has just taken his seat. The hon. member for Burin-Burgeo, who is usually a very reasonable man with regard to problems affecting veterans affairs, I think in this instance has shown the height of ingratitude over this bill which we have brought before the house.

Mr. Pickersgill: Ingratitude to whom?

An hon. Member: You too.

[Mr. McGrath.]

Mr. Churchill: Ingratitude to the government of the day for bringing it forward. Let me tell you this, Mr. Speaker. As has already been pointed out, there were plenty of opportunities in the past for the former Liberal government to take action but they took no action whatsoever.

Some hon. Members: Shame.

Mr. Churchill: As the hon. member for St. John's East has pointed out, the province of Newfoundland was adequately represented here from the standpoint of numbers on the government side, who could have acted on behalf of the Newfoundland foresters but who took no action. Now we bring forward an act which gives recognition to the Newfoundland foresters and the hon. member for Burin-Burgeo is not satisfied. He has some other method by which he contends it should be done and he has diverted the attention of the house from a matter on which we might have proceeded rather rapidly and dealt with. He has interjected a note of comparison of service during wartime, something which I think is unsuited to the occasion.

I think it is fruitless to attempt now, 16 years after the war, to determine who did what during wartime and whether or not his service was equal to someone else's service. That is a very dangerous field on which to enter. I would be the last one to enter into that field and to attempt to decide who performed a greater service for his country in any of the groups, whether he was in the navy, the army or the air force or in these other categories mentioned in this bill. As a matter of fact, if a person really wanted to examine the situation very carefully, he would likely find that adult civilians as well as children in the United Kingdom and Europe, perhaps performed a more adequate service in wartime than did any of us who were in uniform or any who were in these various categories mentioned here. Hence, one can push the matter too far.

I regret very much that the hon. member for Burin-Burgeo has trod on that ground and has been attempting to get us into a dispute with regard to what service was rendered by various groups and whether this word "veteran" should be used for everyone who served. Let us not forget this fact. People made their choice during wartime. A great many people who were not accepted in the navy, army or air force because of disability or age, had an opportunity to serve somewhere else and should be very grateful for that opportunity inasmuch as there were still other thousands who were not accepted in any of the services or groups that were called upon in wartime. There were many men who would

have liked to serve abroad on behalf of their country. I think that anyone who had the opportunity to do so should be very grateful for that opportunity. I also think he should be very happy that he is alive today and that freedom prevails in Canada.

Let me just say this, Mr. Speaker, with regard to the origin of this bill, which could have been brought in many years ago. When I was given the privilege of doing something for the veterans of this country in this portfolio about one and a half years ago, one of the first matters I drew to the attention of the officials of the Department of Veterans Affairs was the status of the merchant marine which I mentioned in particular, and other groups such as the firefighters and the foresters. As is their duty, the officials brought before me the reasons which had been advanced in the past for not including these groups under the veterans charter because of the definition of the word "veteran". I told the deputy minister that I wanted a solution to this problem, and that the time had come to do something about the firefighters, the foresters, the merchant marine and these other groups. I said that I wanted an answer to be produced. Thanks to the efficiency of the department that answer was produced without any further argument. I was not only pleased but rather amazed at the ingenuity shown in bringing these categories under the Civilian War Pensions and Allowances Act. That is how this thing has come about.

The easiest thing for me to have done was just to say nothing or to decide that the obstacles were too great and just let the thing go, as had happened in the past. On the contrary, with the full co-operation of the department, this bill has been produced. The hon. member for Burin-Burgeo now says that it is not satisfactory. May I say that he is going to have the opportunity to declare here in the house whether or not it is satisfactory. He will be obliged to stand and be counted if he remains in his place, as we will call a vote on this matter in just a few minutes.

Let me make this suggestion to the hon. member for Burin-Burgeo. If he wishes to pursue this problem with regard to a person who served in some category or other during wartime he should do it in some other way. This is something that should be done through the various veterans organizations across this country. Let this matter be discussed in Legion branches, by the navy, army, and air force group, the corps association and by other veterans groups in this country as has been done in the past. If public opinion among the veteran population is in favour of redefining the word "veteran" in the veterans charter, then we know where we are at. However, for the hon. member for Burin-Burgeo to come in here today and suggest that this bill is unsatisfactory, that there should be an amendment to another bill, is in my opinion simply delaying the business of this house. If the hon. member is not in favour of the bill, let him move to have the foresters struck out and we will see that the benefits go then to the merchant marine, the firefighters and the other categories which are mentioned here. Then perhaps he will bring forward some other method by which his group in Newfoundland can be dealt with.

However, we think that the method being followed is the better one at the present time. It has not been easy to get this matter to this stage. Having heard the various views expressed by the members from Newfoundland, I hope the house will now get down to business, proceed with this measure and make these benefits available to the very deserving categories mentioned in the bill who in the past have not had the privilege of being considered with regard to the benefits which are available under the allowances act as it prevails under the veterans charter.

Mr. Speaker: Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay. In my opinion the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

Mr. Pickersgill: I thought the minister was anxious to get on with this.

Mr. Churchill: I am but I will have you stand and be counted.

The house divided on the motion (Mr. Churchill) which was agreed to on the following division:

YEAS

Messrs.

Aiken	Browne (St. John's West)
Aitken, Miss	Browne (Vancouver-Kingsway)
Allard	Bruchesi
Allmark	Brunsden
Badanai	Cadieu
Barrington	Campbell (Lambton-Kent)
Baskin	Campbell (Stormont)
Batten	Cardiff
Bell (Carleton)	Cardin
Bell (Saint John-Albert)	Caron
Belzile	Carter
Benidickson	Casselman, Mrs.
Bigg	Cathers
Boivin	Chambers
Boulanger	Charlton
Bourbonnais	Chatterton
Bourque	Churchill
Brassard (Lapointe)	
Broome	

Division

Clancy
Clermont
Cooper
Creaghan
Crestohl
Crouse
Danforth
Deschambault
Deschatelets
Dinsdale
Dorion
Doucett
Drouin
Drysdale
Dubois
Dumas
Dupuis
English
Eudes
Fairclough, Mrs.
Fairfield
Fane
Fleming (Eglinton)
Fleming (Okanagan-Revelstoke)
Flemming (Royal)
Flynn
Forbes
Forgie
Fortin
Fulton
Garland
Godin
Granger
Green
Grills
Gundlock
Habel
Hales
Halpenny
Hanbidge
Henderson
Herridge
Horner (Acadia)
Horner (The Battlefords)
Howe
Johnson
Jorgenson
Jung
Kennedy
Kindt
Knowles
Korchinski
Lafreniere
Lahaye
LaMarsh, Miss
Lambert
LaRue
Latour
Legere
Lennard
Lessard
Loiselle
Macdonnell
MacEwan
MacInnis
MacLean (Queens)
MacLean (Winnipeg North Centre)
Macquarrie
MacRae
McBain
McCleave
McDonald (Hamilton South)
McFarlane
McGrath
McGregor
McIlraith
McIntosh
McLennan
McMillan
McPhillips
McQuillan
McWilliam
Mandziuk
Martin (Essex East)
Martin (Timmins)
Martini
Matheson
Matthews
Meunier
Michaud
Milligan
Mitchell
Montgomery
More
Morissette
Morris
Morton
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Noble
Nowlan
Nugent
O'Hurley
O'Leary
Ormiston
Pallett
Parizeau
Pascoe
Paul
Payne
Pearson
Peters
Pickersgill
Pigeon
Pitman
Pratt
Pugh
Rapp
Regnier
Ricard
Richard (Kamouraska)
Richard (Ottawa East)
Richard (St. Maurice-Lafleche)
Robichaud
Robinson
Rogers
Rompre
Rouleau
Rowe
Rynard
Simpson
Skoreyko
Smallwood
Smith (Simcoe North)
Smith (Winnipeg North)
Southam
Spencer
Starr
Stefanson
Stewart
Tardif
Taylor
Thomas
Thompson
Thrasher
Tremblay
Tucker
Villeneuve
Webb
Weichel
White
Winkler
Woolliams
Wratten—191.

[Mr. Churchill.]

NAYS—Nil

Mr. Speaker: I declare the motion carried.

Bill read the second time.

Mr. Speaker: When shall the said bill be considered in committee of the whole house; next sitting?

Some hon. Members: Agreed.

Mr. Speaker: It being five o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely notices of motions and public bills.

FLAGS OF CANADA

PROVISION FOR REFERENDUM ON ADOPTION OF CANADIAN FLAG

Mr. Laurier Regnier (St. Boniface) moved:

That, in the opinion of this house, the government should consider the advisability of introducing a measure to provide for a referendum concerning the adoption of a Canadian flag.

That the question submitted in said referendum be as follows: Are you in favour of a flag for Canada which would not include the emblem of any other country?

He said: Mr. Speaker, I have great pleasure in moving again this year a resolution similar to the one I moved last year, asking that a referendum be taken in connection with giving Canada a distinctive national flag. For 35 years now a great deal has been said in this house about the Canadian flag, and I think it is time to give the people of Canada an opportunity to decide upon the type of flag this country should have.

I should like first to prove four points: (1) That all political parties are pledged to give Canada a distinctive national flag; (2) that there is a demand for a distinctive national flag; (3) that as political parties we all support this demand; (4) that giving Canada a distinctive national flag is part of the political program of all organized political parties in this house.

We have no independent members in this house. Last year my party held a convention of some 2,000 people. At that convention we passed unanimously a resolution to give Canada a distinctive national flag.

Mr. Martin (Essex East): Then why have we not got it?

Mr. Regnier: Within the last few months the Liberal party have promised to give the Canadian people, within one year of attaining office, a distinctive Canadian flag, and the New Democratic party also stands behind this promise to give Canadians a distinctive national flag.

I am reminded by the hon. member for Essex East (Mr. Martin) that in 1945 the Liberal party promised to give Canada a distinctive national flag in the speech from the throne, part of which I should like to read. This is to be found at page 8 of *Hansard* for September 6, 1945:

Honourable Members of the Senate:

Members of the House of Commons:

My ministers believe that the position attained by our country among the nations of the world makes it desirable that Canada, like the other nations of the British commonwealth, should possess a distinctive national flag. You will be asked to appoint a select committee of members of both houses of parliament to consider a suitable design for a Canadian flag.

As a matter of fact there was such a joint committee appointed. It sat for nine months over the period of two years. After 12 years of Liberal regime we still have not a distinctive national flag. That we have no distinctive national flag is established by the fact that all political parties are promising such a flag. We would not promise something that we have; we are promising something that we have not.

That there is a popular demand for a distinctive national flag is also established by the fact that all political parties have included such a proposal in their platforms. This shows there is a demand for it, because no political party promises things the people do not want.

As we all owe allegiance to our respective political parties, we are all committed to giving Canadians a distinctive national flag. However, we have not succeeded in doing this and therefore the only way we can determine the question is by holding a referendum. The matter of a referendum was suggested in 1946 by a member of the committee set up to study this matter. I quote from page 130 of the proceedings of that committee. Mr. Hansell, the then hon. member for Macleod, said:

I do have a suggestion to make. It is not along the line of a motion at all. I do not know whether it will be acceptable to the committee, but I should like to see these two flags submitted to the people of Canada and let them decide. I think it would be well worth the time and money that would be involved. Let them decide.

Hon. Mr. Howden: In what way?

Mr. Hansell: By way of a plebiscite.

Then at page 130 Mr. Hansell said in part:

Here is my point—and this could very well be done without taking any political sides at all. When the next election comes along, I suggest that a referendum be taken at that time. The parties do not have to kick the thing around as a political measure. All they have to do is this. When the people go to elect their government, they are also given another ballot with two designs put on the ballot. You are not voting Liberal, Conservative, Social Credit, C.C.F. or anything else. That is a separate matter altogether. That can be done without costing the country a dollar except for the printing of the paper with the two designs on. Let the people mark X opposite the one or the other design. That I say is a reasonable suggestion.

I believe this is the only way we can arrive at a solution regarding the flag, to take it out of politics and to let the people, on the same day as they vote to elect a new government, decide on the type of distinctive national flag they want. A member of the 1945-46 committee, Mr. MacNicol, the then hon. member for Davenport, made a study of some 2,409 designs which had been submitted.

He worked at it for 25 hours, and here is his report. In fact, when the special joint committee on a distinctive Canadian flag met for nine months in 1945 and 1946, after studying the 2,409 designs which had been submitted at that time, that is what Mr. MacNicol found: of the 2,409 designs submitted, 1,611 showed a maple leaf, which means two in three, or 67 per cent; 383 had a union jack, that is, one in six, or 16 per cent; 231 had stars; 184, fleurs-de-lis; 116, a beaver; 49, a crown; 22, a cross, and 14, the great bear. So, 67 per cent were in favour of a maple leaf, 16 per cent were for a union jack and the remaining 17 per cent were for something else.

Now, this was the work of Canadians who wanted a distinctive Canadian flag; it represented the opinions of Canadian people who were interested in getting a national flag for their country. However, the committee did not accept the result of any of this work. It did not accept anything, because we have not got a Canadian flag yet. I do not want to repeat what I said last year when I spoke on this subject, so I am going to ask this house to decide, once for all, one thing—to take this matter out of politics and let the nation choose.

Mr. O. W. Weichel (Waterloo North): Mr. Speaker, it is a distinct honour and privilege to take part in this debate on the resolution now before the house which has been brought forward by my esteemed friend the hon. member for St. Boniface (Mr. Regnier) who, no doubt, has given much time and thought to such a proposal.

During the month of January, 1961, I had the pleasure of participating in a similar debate, and at that time I heartily agreed that we should have a distinctive flag—one that would be easily recognized and unlike any other, also one that would be visible at a distance, characteristic in structure, and appropriate for all purposes. It should be symbolic of our country and of our position as a sovereign state in the family of nations.

A few years after the first great war, we remember that in a royal proclamation of November 21, 1921, the King declared:

Flags of Canada

The King, at the request of Canada, assigns to Canada the national colours white and red and declares that the national emblem of Canada shall be three red maple leaves on one stem on a white field. These shall be used to represent Canada on all appropriate occasions.

In making this declaration His Majesty had in mind a separate flag for Canada, such as those used by other members of the commonwealth of nations.

The dominion command of the Canadian Legion passed the following resolution in 1958:

Be it resolved that this convention requests the federal government to place the selection of a Canadian national flag before the people in the form of referendum using,

A. The flag recommended in the majority report of the parliamentary committee of July 1946 or,

B. The flag recommended by the minority report of the same committee.

Such a resolution expresses the fine interest in this subject taken by this great organization, and no doubt also gives the opinion of other organizations made up of army, navy and air force personnel, especially on the question of a referendum concerning a distinctive flag.

On a previous occasion I have mentioned that I am in favour of a referendum concerning the adoption of a distinctive Canadian flag, and I believe my views are shared by many people in my constituency of Waterloo North as well as in other parts of Canada.

To substantiate my views I should like to place on record some remarks quoted by an hon. member of this house some time ago. They appeared in a clipping from the Kitchener-Waterloo *Record*, the leading newspaper of Waterloo North and one of the finest in Canada. Here is what that paper had to say on February 27, 1954:

Reports from Australia indicate that Queen Elizabeth and the Duke of Edinburgh are receiving a tumultuous welcome wherever they go. The Australians are giving a wonderful demonstration of loyalty at this first visit of a reigning sovereign to their country.

The fact that Australians have a distinctive national flag of their own isn't cooling their loyalty to the crown in the least. Opponents of a distinctive flag for Canada, please note.

During the last ten years, many new Canadians have made their homes in our fair land, and Waterloo North with its many ethnic groups received a great proportion of these people. Some of these folks were amazed when on their arrival in Canada they saw two flags flying from many of our buildings. This has also been very noticeable to many of our friends from other lands who have been privileged in visiting our great country.

[Mr. Weichel.]

Today many of our youth—who will be our citizens of tomorrow—are deeply interested in a distinctive flag. Their argument could well be: If the youth of other countries have their own flag, why not we?

About three years ago I was privileged, along with distinguished members of this house and their wives, to visit West Germany as guests of this government. On leaving Frankfurt we journeyed to Bonn, the seat of the West German government, where we were privileged to attend their parliament in session, at which time we received a warm ovation from the members. The point I am trying to convey to you, Mr. Speaker, is that on our way from the hotel to the parliament buildings we were greeted by thousands of German children who lined the sidewalks, waving their national flags. This demonstration convinced me of the need of a distinctive flag for Canada.

During the first and second great wars my people and myself have been honoured in serving our country and showing the greatest respect and loyalty to the union jack and to the red ensign. Throughout my service I shall always remember the great friendship and hospitality extended to me by the people of the United Kingdom, and after 40 years these memories have never faded from my mind.

However, I support the proposal that there should be a distinctive flag for Canada as a result of a referendum at which time the people of this country can express their views. I am of the opinion that a committee should then be set up to make the final choice on a national flag for Canada. This house with its many veterans who served their country with distinction could well carry out these obligations.

(Translation):

Mr. Robert Lafreniere (Quebec-Montmorency): Mr. Speaker, at the end of May 1959, I had the opportunity of expressing my views in the house on the question of a flag. I do not intend to repeat today what I said then. I shall merely say that at that time I declared myself in favour of a distinctive flag for our country.

The measure before us today involves a different point of view. First of all, I must congratulate the hon. member for St. Boniface (Mr. Regnier) for his unceasing efforts towards the adoption of a Canadian flag. In that respect, he took some very commendable steps. However, I must disagree with him today since the matter under consideration is the advisability of a referendum on that issue.

It is obvious that all or most Canadians are anxious to have a Canadian flag. Now, as to

whether it should be a truly distinctive national flag or whether it should include the emblems of the countries of origin of the two largest ethnical groups in Canada, that, I feel, is a question the house is able to decide, and I am convinced that such a procedure would be truly democratic.

Indeed, all those who sit in this house have been elected by the people; they are duty-bound to respect fully the mandate they have received and which is to manage the affairs of the country and to settle important national issues such as the flag issue. Consequently, in this case as in other instances, it is important that we take our responsibilities. Besides, it is easy for a member to know what the majority of his constituents feel because circumstances enable him to stay in contact with them practically all the time. Therefore, I submit that a referendum would not be necessary and, as far as I am concerned, I have no hesitation in stating on behalf of my electors and in my own name that I am completely in favour of a distinctive Canadian flag.

I wish to add that the population of the Quebec-Montmorency riding which I am proud to represent in this house is composed of persons of various racial origins. Of course, the majority of the population is French, but we also have many English, Irish and Scotch people as well as people of other origins, although these are fewer in number.

I have consulted persons representing all those groups about the flag and they are unanimous in calling for a distinctive Canadian flag. That is why I earnestly ask the government of which I am a member to take all necessary steps in order to speed up the adoption of a flag for Canada.

I hold in high respect the countries of origin of the two main racial groups in Canada. Indeed, Mr. Speaker, France and England command our respect through the strength of their institutions and the greatness of their cultures, from which we have derived so much benefit. But many Canadians, myself among them, claim that Canada is an adult nation which should clearly identify itself by means of a distinctive flag. The Liberals spent 20 years discussing this matter.

An hon. Member: You, yourselves, are doing the very same thing.

Mr. Lafreniere: The hon. member for Bonavista-Twillingate (Mr. Pickersgill) now wants two flags.

Mr. Pigeon: Preposterous.

Mr. Lafreniere: But if, to suppose the impossible, a Liberal government were elected, then, with two flags, the discussions would surely last 40 years.

Mr. Brassard (Lapointe): You are talking out this measure.

Mr. Lafreniere: Mr. Speaker, I know through experience that the present government will carry out this important project sooner than the hon. members opposite would. I am convinced that the Conservative government will give our country a distinctive national flag.

(Text):

Mr. Pigeon: I wish to direct a question to the Leader of the Opposition. Does he agree with the opinion of the hon. member for Bonavista-Twillingate with respect to the flag?

Mr. H. C. McQuillan (Comox-Alberni): Mr. Speaker, some time ago in this house I made clear my own feelings on the question of a flag. We so often hear reference to a distinctive Canadian flag but I have as yet to hear anyone define what a distinctive Canadian flag would be. For my part I want nothing better than the flag I see flying atop the peace tower when I approach the House of Commons each morning. When I say that I believe I speak for the vast majority of the people of British Columbia.

I feel for my part that if this motion were framed in a different manner I could support it wholeheartedly. I could support it if it were to state: Are you in favour of a flag for Canada which would include the union jack? That is the way most people in my province feel about it. Some hon. members will have visited British Columbia and noticed that we are following the trend in Canada. We have a provincial flag which portrays the union jack but in a rather unattractive way. I feel that the "fried egg" at the bottom of the flag completely destroys the whole effect, but at least the union jack forms an important part of the flag.

The people of British Columbia are attached to the union Jack. The first settlers came to the province knowing they were coming to a country that was under the union jack. While they have been anxious to achieve independence as part of the Canadian nation they have not wanted entirely to cut themselves off from this affiliation with what, to those pioneers who established the province, was their mother country.

With all due respect to the ethnic groups that might have moved into the area in recent years I think it is extremely unfair to ask that we of Anglo-Saxon descent entirely cut ourselves off from something that is dear to us and was very dear to our forefathers.

Many people recommend that the maple leaf be incorporated in the Canadian flag. I remind hon. members that the maple leaf could represent only a small area of Canada. I do not think many people are aware that the maple tree grows in probably only 5 per cent of the land area of Canada, in a narrow strip along the southern portion of the eastern central and maritime provinces. The northern part of the provinces of Quebec, Newfoundland and Ontario are devoid of maple trees as are the prairie provinces, unless some have been artificially established there. Much of British Columbia, too, is devoid of maple trees.

An hon. Member: The prairies are devoid of any trees.

Mr. McQuillan: The maple leaf is not truly representative of Canada by any means. In fact, many children reach maturity without ever seeing a maple tree and so its appearance on our flag would not be meaningful to them.

An hon. Member: The flowering dogwood would be nice.

Mr. McQuillan: As the hon. member has suggested, the dogwood would be much prettier, but if we were going to have a tree on our flag, why not the spruce, because the spruce grows in every province in Canada?

I have expressed my feeling in this respect and I believe it reflects the feeling of the greater part of the people of British Columbia, certainly the great majority of those who live in the constituency of Comox-Alberni. We would be not only loathe to see but would resent deeply any attempt to remove the union jack in its entirety from the Canadian flag.

Mr. Pigeon: I wish to ask a question of the Leader of the Opposition.

Mr. Peters: He has not said anything yet.

Mr. Deputy Speaker: Order. The Chair recognizes the hon. member for Maisonneuve-Rosemont.

(Translation):

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): Mr. Speaker, my remarks will be very short. I think the majority of Canadians today are in favour of a distinctive Canadian flag. There is no doubt about that, and we all know—

[Mr. McQuillan.]

Mr. Parizeau: Two flags under the Liberals.

Mr. Deschatelets: Mr. Speaker, we all know that the Liberal party committed itself, and there was no promise—

Mr. Parizeau: Two flags.

Mr. Deschatelets: —but a firm commitment—

Mr. Tremblay: Two flags.

Mr. Deschatelets: —to the effect that within two years of their return to office, Canadians would have a distinctive flag.

Mr. Parizeau: One for week days and one for Sundays.

Mr. Deschatelets: As a matter of fact, if the government really wanted to adopt a distinctive national flag, we would have it today, because we are prepared to accept it and committed to give it.

Mr. Fortin: Which one?

Mr. Deschatelets: Mr. Speaker, I do not intend to be partisan on this but in case some members would wish to play politics, one of my colleagues could perhaps read the speech which has been delivered in this house, a few years ago, by the head of this government, Mr. Diefenbaker, when he stated that he was strongly opposed to any flag which did not include the union jack.

An hon. Member: When?

Mr. Deschatelets: If you want to have that statement put into the record, one of my colleagues could perhaps read it.

Mr. Tremblay: Read it.

An hon. Member: Is it about one flag or two flags?

Mr. Deschatelets: Mr. Speaker, as for the referendum I am not in favour of proceeding in that way. This is a question which, I believe, is to be decided by the federal government. The government must assume its responsibilities in connection with a question of that kind. We are prepared to do it and I am of the opinion that the referendum would only complicate an already ticklish question.

Mr. Speaker, I state that we are in favour of a distinctive national flag. For us, the question of a flag is no longer a problem; it is not a promise, it is a pledge. We are of the

opinion that it is the responsibility of the government to adopt a flag; if it does not do so, I can assure the house that this question will not offer any difficulty to our party in the future.

Mr. Fortin: You have been talking about it long enough.

Mr. Samuel Boulanger (Drummond-Arthabaska): Mr. Speaker—

Mr. Deputy Speaker: Is the hon. member rising on a point of order?

Mr. Boulanger: No, Mr. Speaker, I only wish to say a few words.

I should like to say what I think of a distinctive national flag. This is not the first time I do so, since once again this year I have placed on the order paper a measure respecting the adoption of a distinctive national flag. In fact, this is the fourth time I have introduced such a motion. I merely wish to say now that I support the statement just made by the hon. member for Maisonneuve-Rosemont (Mr. Deschatelets).

Mr. Fortin: It does not amount to much.

Mr. Boulanger: Mr. Speaker, the Liberal party, has proposed a distinctive national flag, through its leader—

Mr. Parizeau: But the second in command has said that we should have two.

Mr. Boulanger: When our leader promised a flag, he was sincere and he said so in all parts of Canada, on numerous occasions.

Mr. Pigeon: The deputy leader said two.

Mr. Boulanger: He promised it on several occasions.

Mr. Fortin: Like many other promises he has made.

Mr. Boulanger: Two years after the Liberal party takes office, we shall have our flag.

Mr. Fortin: He has proposed that a referendum be held four years later—

Mr. Boulanger: Mr. Speaker, that is the opinion of our leader.

I shall now give you the opinion of the Prime Minister by reading the statement he made about a distinctive national flag. That statement, which can be found at page 2088 of the official report for November 13, 1945, was made during the debate on a resolution that had been submitted to the house, and I quote:

An hon. Member: A resolution that the Liberals killed.

Mr. Boulanger: Here is what the present Prime Minister said, as can be ascertained from page 2089 of the official report for November 13, 1945:

> I cannot see eye-to-eye with those who say we must not have a national flag. On the other hand, I cannot see eye-to-eye—and my sentiments so carry me that I must be restrained when I say this—with those who would deny the union jack a permanent and a prominent place on the flag of this country; and the place of honour on any flag is the upper quarter. I stand today where Mr. Bennett stood in 1938. I do not deny to any group in parliament the authority, but I challenge their right considering the need of maintaining our unity to father a flag which, in omitting the union jack, will disrupt and divide this dominion. Some say, why not compromise? I will compromise on anything but, speaking for myself, not to the extent of the removal of the union jack from our national flag.

That is what the Prime Minister said in the house. I do not think that he has changed his mind since then.

An hon. Member: In what year did he make that statement?

Mr. Boulanger: As I said earlier, it was on November 13, 1945, as reported on page 2089 of *Hansard*.

Mr. Tremblay: What did Louis St. Laurent say?

Mr. Boulanger: This is the attitude of our leader—

Mr. Pigeon: Your leader is not a leader, he is a nonentity.

Mr. Boulanger: That is what the present Prime Minister of Canada said; on the other hand, the statement made by our leader—

Mr. Tremblay: Which one?

Mr. Boulanger: The greatest leader the Liberal party ever had—

Mr. Deschatelets: On a point of order, Mr. Speaker, could the separatist Conservative be asked to abide by the standing orders of the house and stop interrupting the hon. member who has the floor?

An hon. Member: What do you think of separatism?

Mr. Deputy Speaker: I would ask the hon. member for Maisonneuve-Rosemont to refrain from making remarks which are incompatible with the dignity of the house. However, I feel there is some basis to his point of order since there have been frequent interruptions from hon. members. I do not think those continuous interruptions are conducive to the orderly dispatch of the business of the house.

Therefore, I would ask all hon. members to co-operate with the chair so that the hon. member who has the floor may continue his remarks. It will be to the advantage of all hon. members who will speak after him to comply with the rules of the house.

Mr. Deschatelets: On the point of order, Mr. Speaker, and with all due deference to the Chair, I mentioned a moment ago that the separatist Conservative hon. member for Roberval (Mr. Tremblay) was out of order. I have nothing to withdraw from that statement when the hon. member for Roberval denounces confederation and remains a member of the Conservative government.

Mr. Deputy Speaker: I ask the hon. member to resume his seat. I think he is embarking upon a discussion on another matter. It is precisely to prevent a discussion on a different matter that I ask the hon. member to confine his remarks to his point of order.

This being said, I think that it would be to the advantage of all hon. members to let the hon. member for Drummond-Arthabaska (Mr. Boulanger) carry on.

Mr. Maurice Johnson (Chambly-Rouville): Could Your Honor specify on which of the points of order raised he is upholding the member for Maisonneuve-Rosemont?

Mr. Deputy Speaker: I recognize the hon. member for Drummond-Arthabaska.

Mr. Boulanger: Mr. Speaker, our leader has very clearly stated our position with regard to one distinctive flag—

Mr. Tremblay: What leader?

Mr. Boulanger: —one national flag. I think he spoke for all of us. There cannot be any misunderstanding about our desire to give the country a distinctive national flag. We clearly stated our views on that question. We now leave it up to the Conservatives to talk the resolution out, if that is what they want.

An hon. Member: How many did you talk out when you were in power?

Mr. Tremblay: They even talked out Mr. St. Laurent.

Mr. Maurice Allard (Sherbrooke): Mr. Speaker, I also wish to say a few words to declare myself in favour of the question contained in this resolution about a referendum:

> Are you in favour of a Canadian flag on which no emblem of another country would appear?

Mr. Speaker, in the past few years, together with other hon. members, the members for Joliette-L'Assomption-Montcalm (Mr. Pigeon), for Drummond-Arthabaska (Mr. Boulanger), the mover of the present resolution (Mr. Regnier) and a few others, I have raised, and quite rightly so, the question of the advisability of adopting a distinctive flag for Canada.

I do not like to hear the hon. member for Drummond-Arthabaska (Mr. Boulanger) and some of his colleagues make strictly political remarks in this respect because you can always find the right answers.

It will be recalled, for instance, how ably the late Mackenzie King stifled in 1945 certain proposals of national interest by refusing to allow a debate on the report submitted by the joint committee of the house and Senate concerning the flags. Under an order in council dated September 5, 1945, he had then suggested as a compromise the adoption of the red ensign with the union jack in the upper quarter and the Canadian emblems in the lower quarter.

The hon. member for Drummond-Arthabaska referred earlier to certain statements made at that time by the Prime Minister (Mr. Diefenbaker).

We could also quote the words of the Right Hon. Louis St. Laurent who, following the statements of the late Mackenzie King, declared himself also in favour of the union jack. For he was backing his leader who stated that he, for one, was in favour of the inclusion of the union jack in the Canadian flag.

An hon. Member: What page? Give us the page.

Mr. Allard: That was the attitude in 1945. Because of post-war events, there has been since then, in Canada, a constitutional evolution which resulted in the Canadian people becoming conscious of national sovereignty and independence.

All those new facts call for the implementation of this project which concerns the whole of Canada.

An hon. Member: Give the page number.

Mr. Allard: No purpose is served by discussing past events and remarks made in certain circumstances. This is 1962. Time and again, we have heard in this house members of all parties talk about Canada's sovereignty and independence in the economic, political and international fields.

Many events, since 1945, have made it possible to take steps forward and to achieve that sovereignty which is now evident and recognized the world over by international organizations such as the United Nations,

NATO, NORAD and all other organizations and commissions to which Canada has taken part with its distinctive character and personality.

Because of that newly acquired sovereignty and independence, the adoption of a distinctive national emblem has become appropriate and even necessary. That same feeling is being expressed by a very great majority of the Canadian people from sea to sea. We have only to rely, for example, on the reports published by the junior chambers of commerce, on the resolutions passed by various public organizations in Canada, such as the senior chamber of commerce and many others, which all express, in very precise and concrete terms, the wish of the great majority of the Canadian people to have at last a distinctive national flag, that is to say, one without the emblem of any other country.

We have a lot of respect and admiration for the flags of other countries, as well as for our mother countries. But when we, of the province of Quebec, ask for a flag, we do not wish to be misunderstood by our English-speaking compatriots and by our colleagues from other provinces. This is not a question of autonomy or exclusion. We are moved to do so by our Canadian patriotism. We sincerely believe that it is essential to have a distinctive flag. In order to sing with pride of our native land, in one province or another, in all parts of the world, we must have a rallying emblem.

Groups, from one end of the country to the other, have criticized some situations. In the last seven or eight months, in the province of Quebec, we witnessed the rise of a movement born of irritation and disillusion. Now, if we had, in Canada, a distinctive national flag, a flag exclusively Canadian, this would be a means of rallying the Canadians, of moving their hearts, of uniting them from coast to coast, which in the present Canadian context is difficult to achieve because our small population is scattered over a vast territory and each province is faced with various economic problems. How difficult is it to understand this Canadian reality of a people so active and so aggressive living in such a gigantic country and whose economy is complex beyond description.

Well, we need a means of unification. That essential means is a distinctive national flag around which we can rally, a distinctive national flag in every Canadian school, in every Canadian province, which, stirring the hearts of young Canadians of every ethnical origin, would unite them under that sign of our sovereignty and independence.

Those are the few words I wanted to say. I do not want, of course, to dwell on that subject because, like other hon. members, I have a bill on Canadian sovereignty on the order paper. But I shall support any measure which will help us obtain a distinctive national flag, and I hope we have one soon.

Indeed, we shall need a flag when we celebrate our centenary. Our partnership will be 100 years old, Mr. Speaker, and if we do not act now, we shall have to celebrate the centenary of confederation without a distinctive emblem, which would be a real shame.

I am not asking for any symbols or remnants of the past on this flag, signs recalling the memory of France, like the fleur-de-lis. There is no need for such, nor any other sign. I would like us to have a distinctive and exclusively Canadian flag, so that we may celebrate the centenary of our confederation with joy and national pride.

(Text):

Mr. Deputy Speaker: The hon. member for Timmins.

Mr. Pigeon: Mr. Speaker, I should like to ask the Leader of the Opposition whether he shares the opinion of the member for Bonavista-Twillingate.

Mr. Deputy Speaker: The hon. member for Timmins.

Mr. M. W. Martin (Timmins): Mr. Speaker, on behalf of the New Democratic party I should like to say that we support this resolution wholeheartedly and in order to facilitate reaching a decision on the matter we have no intention of taking up the time of the house in needless debate.

Miss Margaret Aitken (York-Humber): Mr. Speaker, debate on the flag issue has now become an annual event in the House of Commons and not only one bill but two or three are introduced every session. I find that every time we have a debate on this matter in the house there is very great interest outside. I know that my mail is always a great deal heavier after one of these debates.

There is no doubt that more and more people want a distinctive flag and where the controversy arises is in the interpretation of the word "distinctive". At the outset may I say that my interpretation of the word "distinctive" does include the union jack. I

noticed that the hon. member for Drummond-Arthabaska (Mr. Boulanger) told us that his leader had promised to bring in a flag within two years if he should come to power, but the hon. member did not tell us whether the union jack was going to be a part of that distinctive flag. I include myself among many thousands of Canadians who want a distinctive flag and yet obviously I mean something quite different from what other people mean, in fact quite different from what many members of this house mean.

Having spoken a good many times in the house on this subject, I can only reiterate some of the points I have made before. Certainly I think that none of us on either side of the house wants this matter to become a political football. To all patriotic Canadians a flag is something that affects the emotions and it would be a great pity, in fact, a national tragedy in my opinion, if party politics were allowed to enter into the matter or if it became a referendum issue. I think that would be one of the greatest dangers to national unity.

One reads periodic tirades against politicians for not moving faster on the subject of a flag. Personally I have never blamed the Liberals for moving slowly, as they did, because I think the decision of choosing a flag is a momentous one which will not only affect us in our time but will affect Canadians for generations to come. All of us have received scores of suggestions for a new flag. I presume that the designers of these sometimes extraordinary flags have their reasons for the emblems and colours that they use. My reason for wanting the union jack in our flag is because that design is part of our history.

A couple of years ago in the *Canadian Commentator*, W. I. Hearst of Toronto wrote a letter in which he made a very good point. This is what he said:

> A flag not grounded in a country's history and tradition is nothing more than a label such as one finds on a can of tomatoes.

Mr. Hearst went on to say that our system of laws, method of government, literature and culture, all came from Britain. Then, he said:

> No matter how racially mixed the population of Canada may become, she is permanently stamped with British tradition.

I have never forgotten a speech the hon. member for Marquette (Mr. Mandziuk) made on this subject of a flag. He said people were wrong to think that our different ethnic groups were against the inclusion of the union jack. Indeed, he went so far as to say they were content with the union jack, itself, as a flag. It had become the symbol of freedom and human dignity to peoples all over the world.

[Miss Aitken.]

One argument heard against inclusion of the union jack in our new flag is that old bugaboo about British sovereignty over Canada. This is absolute nonsense, and every thinking Canadian knows it. We are an independent nation with complete control over our own affairs. If there is any kind of foreign influence upon Canada, it certainly does not come from Britain. There is no argument any more on that basis.

One of Canada's greatest daily columnists, the late J. V. McAree, wrote his last column on March 25, 1958 on this very subject of a flag. He concluded in these words:

> The union jack and God Save the Queen have inspired millions and have been the source of countless deeds of heroism. It will take a long time for a new flag and a new anthem to build up this great tradition they have established.

Another argument against inclusion of the union jack in a Canadian flag is that it has no symbol in it to represent the French part of our nation. This may be true, although all Canadians have lived together and prospered under the union jack, both as a colony and a sovereign country. It is part of both our histories. I cannot see why, at this time, we should erase it altogether from the future pages of our history. If our French speaking Canadians feel that the union jack has no symbolic significance to them, then by all means let us have a fleur-de-lis or anything else they want, just as long as we include the union jack.

I think a referendum would be one of the worst things we could do. Canadians are people who have learned the benevolent art of compromise. We should practice that virtue in choosing a distinctive flag. We represent the people here, and we represent their views, and to take the issue to the people would, in my opinion, be the greatest danger to our unity.

Hon. L. B. Pearson (Leader of the Opposition): I agree with the last hon. member who has expressed the opinion that a referendum would perhaps not be the best way of settling a question which is of such great importance to us. A referendum, without any assurance of action after the referendum, would merely delay and postpone rather than decide. It might even accentuate division in the country without coming to any decision in respect of this matter.

Now, Mr. Speaker, I think the time has come when we should decide this matter. It is a decision which should be made on the responsibility of the government of the day. It would be interesting to have the Prime Minister (Mr. Diefenbaker) take part in this debate and tell us what his responsibility is in connection with this matter as leader of the government.

An hon. Member: Who is killing the bill?

Some hon. Members: Order.

Mr. Pigeon: Do you share Mr. Pickersgill's views?

Mr. Pearson: It is quite true that at the present time we do not have in this country a distinctive national flag which can be distinguished from the emblem of any other country. It is time, I think, when we should make a decision in that regard, a decision which will bring us closer together. When we on this side talk about that kind of distinctive national flag, that does not depreciate in any way the flag which we have had in the past, with the union jack as part of that flag, or the union jack itself.

I have served in war, Mr. Speaker, under the union jack. I have been proud to do so. I have seen the union jack flying in wartime in London amidst smoke, destruction and flames. I have been proud to be in London in those days when the union jack flew there. However, that does not mean we should not have in our country a flag which cannot be mistaken for that of another country. I have said this in other parts of Canada and I am glad to say it in the House of Commons this afternoon. I repeat now, Mr. Speaker, and I would be glad to have the Prime Minister make the same kind of statement if he would so that the subject could be taken out of politics, that within two years of taking office a new Liberal government will submit to parliament for approval a distinctively Canadian flag which cannot be mistaken for the emblem of another country, the design of which will be decided in the cabinet first, where all sections of Canada are represented, and then submit it to a full parliament for the ultimate and final decision. This flag, Mr. Speaker, would be the national flag of Canada.

Mr. Pigeon: We would have two flags.

Mr. Pearson: This would be the one national flag of Canada.

Mr. Deputy Speaker: Order; I am sorry to interrupt the Leader of the Opposition, but his time has expired.

Mr. Pearson: I was interrupted, Mr. Speaker, and perhaps you would give me one half minute so that I could finish my statement.

Mr. Deputy Speaker: Yes.

Mr. Pearson: Having taken that stand, I believe firmly that the union jack or an emblem with the union jack should continue to be honoured in this country and flown on appropriate occasions, Mr. Speaker.

Some hon. Members: Oh, oh.

Mr. Pigeon: Three flags now.

Some hon. Members: Order.

Mr. Pearson: Perhaps if you are giving me 30 seconds, Mr. Speaker, I could be allowed to continue without disturbance from these gentlemen across the way.

As I say, the union jack or an emblem with the union jack, would continue to be honoured and flown on appropriate occasions as the emblem symbolizing our status as a monarchy under the crown and symbolizing our association with the commonwealth of nations.

Mr. Pigeon: Three flags now for the Liberal party.

Mr. Johnson: All you wanted to do was kill this resolution.

Mr. Deputy Speaker: Order. The hour for consideration of private members' business having expired, the house will now revert to the business interrupted at five o'clock.

Mr. Johnson: I hope the journalists will report all the faking we have seen today.

An hon. Member: You will not be here to vote for it.

Mr. Deputy Speaker: Order.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Before you leave the chair, sir, perhaps the house leader—

Mr. Johnson: Now we know the fakers.

Mr. Pickersgill: If the hon. member for Chambly-Rouville (Mr. Johnson) could be polite for one moment perhaps I could put my question. Could I ask the house leader, without any assistance from the hon. gentleman, what the business will be for the rest of the week, and whether the government's undertaking to go back to the speech from the throne on Friday will be honoured.

Mr. Churchill: Mr. Speaker, the hon. member for Bonavista-Twillingate (Mr. Pickersgill) just about ruined his question with that last statement, attempting to intimate that there has been some—

Mr. Pickersgill: Undertaking.

Mr. Churchill: —that an alleged undertaking has been broken, which is not the case at all. However, we cannot debate those matters at this stage. The business for tomorrow is the same as I outlined last evening, with the exception that the second last item will be No. 5 on today's order paper, second reading of Bill No. C-67 which deals with the proposed railway line in Gaspe. The last item will then be Bill No. C-38, in the name of the Minister of Justice, dealing with the reporting of financial and other statistics.

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

HOUSE OF COMMONS

Thursday, February 15, 1962

The house met at 2.30 p.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Government House, Ottawa,
15 February, 1962

Sir:

I have the honour to inform you that the Honourable Robert Taschereau, judge of the Supreme Court of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate chamber the 15th February, 1962, at 5.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,
Esmond Butler
Secretary to the Governor General

RAILWAYS, CANALS AND TELEGRAPH LINES

FIRST AND SECOND REPORTS OF STANDING COMMITTEE—CONCURRENCE IN FIRST REFORT

Mr. W. M. Howe (Wellington-Huron) 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.

UNITED NATIONS

DISARMAMENT—TABLING OF REPLY TO PREMIER KHRUSHCHEV

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, my reply has now been transmitted to the message from Chairman Khrushchev in which he proposed that heads of government should attend the opening meetings of the disarmament commission when it begins its work in Geneva on March 14. I should now like to table that reply so that hon. members will have it before them.

I made clear to Mr. Khrushchev that I welcomed the spirit in which his proposal appears to have been made, since it would seem to indicate that the Soviet union attaches importance to the forthcoming disarmament negotiations. The Canadian government believes that this conference must be the occasion for the greatest effort which the nations of the world have yet made toward a solution of the pressing problems in the disarmament field. Fortunately a good basis has been laid for the conference in the form of an agreement on general principles. The first task will be to convert these principles into practical measures of disarmament.

In my reply to Mr. Khrushchev I have said I believe the foreign ministers should be present at the outset to give additional direction and impetus to the work of the conference.

As these problems affect all countries, and depend in some degree on all countries for their solution, there is a significant role in these discussions for the middle and smaller powers. The difficult problems requiring solution may in the end yield only to direct conversation among the heads of government.

I have therefore repeated to Chairman Khrushchev what I told the house last Monday, namely that whenever the presence of heads of government is considered to be advantageous, I should personally be ready to attend such a meeting. Should efforts for disarmament meet with even partial success, then a measure of confidence will have been established which might enable other critical problems between east and west to be dealt with.

Mr. Speaker: Has the Prime Minister leave to table the document referred to?

Some hon. Members: Agreed.

Mr. Speaker: Is it suggested that the document be printed or tabled?

Mr. Diefenbaker: Tabled.

Hon. L. B. Pearson (Leader of the Opposition): I think all hon. members in the house will support the position of the Prime Minister and the government in respect of this matter, in emphasizing in the first place the importance of the conference in question and the desirability of doing everything possible at the conference to make progress toward peace rather than allowing it to become merely an exercise in propaganda. I think also the Prime Minister was wise in his emphasis that at the early stages of a conference of this kind it is better to leave these matters in the hands of the ministers particularly concerned. I notice Mr. Khrushchev refers to them as bureaucrats; I am sure

that the Secretary of State for External Affairs will deny that suggestion. Then if any progress is made at the foreign ministers level, and we all hope that there will be progress, that would be the time to consider elevating, if you like, the representations to the heads of government level.

But as the Prime Minister has pointed out, surely it is important to get ahead with the business of disarmament, and at this commission of 18, with certain principles to guide it which have been agreed upon at the United Nations, there is now an opportunity for progress. Then if and when you get results, that will be the time to bring in the heads of government to continue and perhaps to finalize that progress.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, the members of this group welcome the spirit and tenor of the Prime Minister's letter to Premier Khrushchev. We extend our best wishes to the Secretary of State for External Affairs and all those who are associated with him. We wish them every success in all they attempt in this work of first importance.

TRADE

FLOUR—REPORTED DEFAULT BY RED CHINA

On the orders of the day:

Hon. Lionel Chevrier (Laurier): I wish to direct a question to the Prime Minister. Is it a fact, as reported in today's *Globe and Mail*, that the Chinese government has already defaulted on one of the terms of the wheat agreement by not taking 32,000 tons of flour from Canadian millers by November 30, 1961?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, there has been no default.

Mr. Chevrier: Mr. Speaker, in the light of the article and the discussions that have taken place already, I wonder whether the Prime Minister would not throw some light on the terms of the agreement, in view of the fact that one of the officials of the Canadian wheat board has already stated that he can give no information on the matter and that it can come only from a ministerial source.

Mr. Diefenbaker: Mr. Speaker, I do not want to comment on a vote that took place yesterday, but the hon. gentleman knows very well that throughout the years it has never been considered proper to reveal the particulars of agreements or transactions entered into by the wheat board. To do so would be to depart from the regular principle and would be of benefit only to those who are competitors.

Mr. Chevrier: A supplementary question—

Mr. Speaker: Order.

Mr. Chevrier: On a point of order, Mr. Speaker—

Mr. Speaker: Before the hon. member proceeds with his point of order, the point has been taken that the question raises a matter which was decided by the house yesterday.

Mr. Chevrier: Mr. Speaker, while my question in its preamble did have something to do with yesterday's vote, it was directed primarily to the answer given by the official in Winnipeg, and it was in the light of that answer that I put the question to the Prime Minister. I repeat it to him now. In view of what was said by the official, namely that the answer should be given on a ministerial level, I ask the Prime Minister now if he will not throw some light on the terms of the agreement.

Mr. Diefenbaker: That is what I was trying to do, throw some light on the question and show that never in the past has the course been followed that was suggested yesterday.

Hon. Paul Martin (Essex East): I should like to ask the Prime Minister a supplementary question. Is it a fact that the government or its agencies are now negotiating with communist China for the sale of further grain by Canada to China?

Mr. Benidickson: On credit.

Mr. Diefenbaker: Mr. Speaker, naturally I would not be in a position to answer that question at this time. If the hon. member wants information with regard to whether negotiations are continuing at the moment, I will endeavour to ascertain the situation and having done so will then place before the house, if it is proper to do so, an answer to that question.

Mr. Martin (Essex East): Certainly we ought to be told whether you are negotiating.

EUROPEAN COMMON MARKET—CANADIAN PARTICIPATION IN NEGOTIATIONS

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): I should like to ask the Prime Minister whether he would not reconsider the decision of the government conveyed to the house by the Minister of Finance on Tuesday that Canada will not seek a place at the common market negotiating table at Brussels when matters of special trade interest to our country are under consideration.

Hon. Donald M. Fleming (Minister of Finance): The Leader of the Opposition has attributed to me a statement of government policy to the effect that we would not ask for a place at the negotiating table at Brussels. That is not what I said, and that is not the question he asked me. He asked me if Canada had asked for a place at the negotiating table, to which I gave a negative response. Canada has not asked for a place at the negotiating table, as has Australia.

Mr. Pearson: May I ask the Minister of Finance, is Canada considering a request for that purpose?

Mr. Fleming (Eglinton): Not at the present time, Mr. Speaker. One cannot say that circumstances might not arise which might lead the government to make such a request, but at the moment the government does not see an occasion for making such a request.

Mr. Pearson: May I ask the minister a supplementary question. Is he aware that the Australian government has requested and has secured representation at these meetings when Australian trade interests are especially affected?

Mr. Fleming (Eglinton): I am aware that a request has been made by the Australian government and that it has been communicated to the Six by the United Kingdom, but I am not aware that the Six have assented to the request as yet.

NEW YORK WORLD FAIR—CANADIAN PARTICIPATION

On the orders of the day:

Hon. George H. Hees (Minister of Trade and Commerce): Yesterday the hon. member for Dollard asked whether Canada had received an invitation to participate in the New York world fair. The answer is yes, Canada did receive an invitation to participate in this fair. There is a bureau of international exhibitions which prescribes the rules and regulations governing the holding of international world exhibitions. At a meeting of this council held on November 8, 1960, it was clearly indicated that the New York world's fair did not meet their rules and requirements, and by resolution of that council they called upon all nations signatory to the convention to abstain from participating in the New York world's fair. In honouring her signature Canada declined the invitation. It should be observed that this is not a world's fair sponsored by the government of the United States but is a private organization.

CUBA—REPORTED SHIPMENT OF DYNAMITE

On the orders of the day:

Mr. Lucien Cardin (Richelieu-Vercheres): I wish to direct a question to the Minister of Trade and Commerce. Can the minister inform the house whether the government has recently authorized the shipment of a large quantity of dynamite to Cuba?

Hon. George H. Hees (Minister of Trade and Commerce): I think that was indicated some time ago. I do not know how large the quantity was, but the shipment was, I understand, composed of blasting powder to be used for civilian purposes.

Mr. Cardin: Can the minister not indicate what quantity of dynamite was sent on that occasion?

Mr. Hees: No. I do not carry those pounds and dollars in my head.

Mr. Cardin: A supplementary question. Would not the minister consider dynamite to be a strategic material?

Mr. Speaker: Order. The hon. member's question was more of an argument than a search for information—

Some hon. Members: No.

Mr. Speaker: I hear statements of dissent. If anyone feels I have been unduly restrictive I should be glad to hear his point of view.

Hon. Lionel Chevrier (Laurier): I should like to raise a point of order and say that when this matter was discussed on an earlier occasion it was made clear in the house that commodities or articles of a strategic nature, as determined by the government, were not considered as exportable to Cuba. My hon. friend has simply asked the question whether this substance is considered to be a strategic material, and I think he is entitled to a reply, if not from the Minister of Trade and Commerce then from the Prime Minister.

Mr. Speaker: As stated by the hon. member for Laurier the question takes on a somewhat different aspect, and if the minister wishes to reply there will be no objection.

Mr. Hees: There are a great many articles in every day use—table knives, for example—which could be used as war materials, if the hon. member wishes to go so far; practically anything the hon. member might wish to think of could be used in a warlike manner. However, the kind of articles I am talking about are those normally considered to be for peacetime use and, as I have said,

we do not ship to Cuba articles which we consider would be or could be used for warlike purposes.

An hon. Member: What about dynamite?

POWER

COLUMBIA RIVER—REQUEST FOR STATEMENT ON LATEST DEVELOPMENTS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address what I would term a tension lessening question to the Prime Minister. In view of the continued and intense interest in the Columbia development issue, can the Prime Minister inform the house when we may expect an announcement as to the latest developments in regard to this question?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I would not class that question as one that is tension lessening. All I can say is that as soon as we are in a position to give an answer in this regard, the hon. member will receive such details as are appropriate.

NATIONAL DEFENCE

PETAWAWA—HOSPITAL ACCOMMODATION FOR ARMY DEPENDANTS

On the orders of the day:

Mr. J. M. Forgie (Renfrew North): Mr. Speaker, I should like to direct a question to the Associate Minister of National Defence. Can the minister say whether the government has rejected a proposal to assist in providing hospital accommodation in the two Pembroke hospitals for the dependants of army personnel stationed at Petawawa?

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, in reply to the question of the hon. member may I say that I do not believe such an answer has been given. However, we are investigating the matter, and I shall be glad to report to the hon. member as soon as I have additional information.

PERMISSION FOR FAMILIES TO JOIN SERVICE PERSONNEL ABROAD

On the orders of the day:

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, I should like to reply to a question put to the Minister of National Defence by the hon. member for Vancouver East on January 23. In reply to the hon. member the Minister of National Defence said that the question whether dependants should be allowed to accompany service personnel to Europe was being reviewed and that a decision would be made shortly.

It has now been decided that dependants of service personnel who were sent to the air division and army brigade last fall will be allowed to proceed to Europe, and arrangements are now being made for the necessary transportation.

HOUSING

C.M.H.C.—REQUIREMENT AS TO INSPECTION OF LUMBER

On the orders of the day:

Mr. C. W. Carter (Burin-Burgeo): I should like to ask the Minister of Public Works whether he is aware that Central Mortgage and Housing Corporation has made a regulation to the effect that after April 1 all lumber for national housing must be graded and marked by approved inspectors, and that there are no such inspectors in Newfoundland. In those circumstances, will the minister have action taken to change the regulation so that the operators of small mills will not be deprived of this large market in their own province?

Hon. D. J. Walker (Minister of Public Works): In answer to my hon. friend, Mr. Speaker, I might say that the new housing standards covering N.H.A. house construction were prepared by the associate committee on the national building code, national research council. In answer to the second part of the question dealing with Newfoundland, I understand that my colleague the Minister of Forestry is looking into this matter.

[*Later:*]

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Forestry on a matter that has for a number of years been of considerable interest to people purchasing lumber.

In view of the fact that yesterday an experienced executive of a wholesale lumber company told the delegates at the Canadian lumbermen's convention in Montreal that the compulsory grade marking of lumber recently instituted by Central Mortgage and Housing Corporation benefited the small consumer and gave him more for his money, and that grade marking should be a general practice throughout the lumber industry, would the government give consideration to an amendment to the legislation or the regulations to give general effect to this practice as soon as practical?

Hon. H. J. Flemming (Minister of Forestry): Answering the hon. gentleman, Mr. Speaker, I can only say that the matter is receiving attention in my department.

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, may I put a supplementary question to the minister and ask whether in any consideration he is giving to this matter he will give most careful attention to the problem of the small mills and the difficulties that would be involved for them by any premature regulation with regard to grading and marking.

Mr. Flemming (Royal): Mr. Speaker, I can only say that the department is very conscious of the importance of this matter to the smaller mills. There is no disposition on our part to act in any manner except in co-operation with Central Mortgage and Housing Corporation in an attempt to work the matter out in a way which will lead to the imposition of no hardship, and certainly none with respect to the smaller mills.

Mr. Pickersgill: I thank the minister very much.

FINANCE

EXCHANGE FUND—INQUIRY AS TO POSITION OF RESERVE

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): I should like to address two related questions to the Minister of Finance. First, can the Minister of Finance give the house the figures for the loss of our exchange fund reserve in the first part of February? Second, is the minister considering requesting the international monetary fund for assistance in increasing our reserve?

Hon. Donald M. Fleming (Minister of Finance): The answer to the first question is yes, but I do not propose to do so. This course has never been followed in the past. We issue a monthly statement and the figures for the complete month of February will be available by the middle of March.

The answer to the second question is no.

INTERNATIONAL MONETARY FUND—CANADIAN POSITION AT WASHINGTON MEETING

On the orders of the day:

Mr. W. M. Benidickson (Kenora-Rainy River): I have a question for the Minister of Finance. As we are only one day removed from an important meeting in Washington of the governors of the international monetary fund, although the minister indicated the other day that the Canadian Press report was wrong in saying that Canada was being called on the carpet, would the hon. gentleman tell us clearly, first, what matters Canada's delegate at this meeting has been asked to explain and, second, what countries belonging to the international monetary fund have asked specifically for an explanation by Canada?

Hon. Donald M. Fleming (Minister of Finance): I was asked a question—an intelligent question—on this subject only on Tuesday, to which I made a response which is to be found at page 804 of *Hansard*. The hon. member seems determined to draw attention to this meeting in Washington tomorrow, and the whole picture and atmosphere which he and some others are trying to build around that meeting—

Some hon. Members: Order.

Mr. Fleming (Eglinton): —is, I regret to say, most misleading. I pointed out that this is a meeting of the executive board of the international monetary fund. I am sure the hon. member must know that these meetings take place from time to time. I would have thought that he was aware also that the agenda of these meetings is not made public. I have no authority from the international monetary fund to make public the agenda of a meeting of the executive board of that fund. After all, it is the fund which is master of its own meetings and proceedings. These meetings proceed in camera, and the agenda is not made known.

I wish to make this final observation in response to the latter part of the hon. member's question. He referred to a press dispatch on this subject. Evidently, this press dispatch was based on a report of a speech by Mr. Roosa—

Mr. Benidickson: No, no. I asked what countries, other than the United States—

Mr. Fleming (Eglinton): The hon. member referred to a press dispatch. Evidently this press dispatch was based on a speech made by Mr. Roosa, the under secretary of the treasury in Washington. I may say that communication was had with the department of the treasury in Washington after that speech was made in order to ascertain whether it had any reference whatsoever to Canada or to Canadian currency. Our information is that it had no reference whatever to Canada or Canadian currency; none whatever.

Mr. Benidickson: The Canadian press was wrong again.

Mr. Fleming (Eglinton): That dispatch was wrong, quite wrong, in relation to what purported to be the inspiration of that article. This is the information which has been obtained from the department of the treasury in Washington.

As to the final question asked by the hon. member, the countries whose representatives are directors of the executive board of the fund will, no doubt, be represented. I am not aware that any particular country has asked that any subject pertaining to the

Canadian currency be inscribed on the agenda. Again I say that the fund is master of its own proceedings, and the fund itself will conduct the meeting on Friday.

Hon. J. W. Pickersgill (Bonavista-Twillingate): A supplementary question. Can the minister tell the house an occasion on which he read something in the press which was not misleading?

Mr. Fleming (Eglinton): Mr. Speaker—

Mr. Speaker: Order. I suggest that the subject matter of the question does not come within the administrative responsibilities of the minister.

Mr. Chevrier: The minister has already said it does.

Mr. Fleming (Eglinton): Mr. Speaker, I think I should be entitled to make this observation. When articles appear in the press that ascribe themselves to a certain occasion, a certain statement or a certain speech, and when we make an inquiry from an authentic source and find that the speech in question was not directed at all to the subject matter that becomes the subject of the news article, that is a matter concerning which the House of Commons should be glad to receive authentic and corrective information, but hon. members opposite are not interested in having the facts.

Mr. Benidickson: The minister's batting average is better than that of the press.

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, in view of what the minister has said may I ask whether this is a normal routine meeting of the fund and of no special relevance to Canada?

Mr. Fleming (Eglinton): Mr. Speaker, it is a regular meeting of the executive board of the international monetary fund. Canada is a member of that fund and will be represented at the meeting. I have no authority whatever from the fund to disclose the agenda of the meeting.

Hon. Paul Martin (Essex East): Mr. Speaker, a supplementary question. Is it not a fact that the Minister of Finance himself was asked to attend the meeting?

Mr. Fleming (Eglinton): That is not a fact, Mr. Speaker. There is no relationship whatever between that suggestion and truth.

[*Later:*]

Mr. W. H. McMillan (Welland): Mr. Speaker, I should like to direct a question to the Minister of Finance. If the meetings of the monetary fund are held in camera, as the minister stated, why does it appear in the press that Canada requested that these meetings be held in secret? I have seen reference to this in several newspapers.

Mr. Fleming (Eglinton): Mr. Speaker, I cannot assume responsibility for what the hon. gentleman may have seen. The fact is that these meetings and the proceedings are always conducted in this way. The executive board of the bank does not meet in public. Its proceedings are not public, and so far as I am aware they never have been made public.

BUSINESS OF THE HOUSE

DIVORCE—PRESENTATION OF PROPOSALS THIS SESSION

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Veterans Affairs in his capacity as house leader. I should like to know what progress is being made with respect to the carrying out of a commitment he made to the house last session, to the effect that proposals would be placed before the house this session dealing with the matter of parliamentary divorce.

Hon. Gordon Churchill (Minister of Veterans Affairs): Well, Mr. Speaker, I am not sure that this is an appropriate question at this time. Progress is being made and will be reported to the house in due course. I was under the impression that certain consultations had already been held with the hon. member.

SHIPPING

WHEAT—DESTINATION OF "TANK EMPRESS" CARGO

On the orders of the day:

Mr. J. P. Deschatelets (Maisonneuve-Rosemont): I should like to direct a question to the Prime Minister. Will he make inquiries to ascertain whether the ship *Tank Empress,* presently loading grain at Halifax under the Chinese wheat deal, is in fact not destined for a Chinese port but is sailing tonight bound for a communist bloc country?

Mr. Speaker: I do not know whether the hon. member has given notice, but I would consider the question more appropriate for the order paper. If the Prime Minister is prepared to answer it, then he may wish to do so.

Right Hon. J. G. Diefenbaker (Prime Minister): The notice was only received a few minutes ago, and there has been no opportunity to find the information.

LABOUR CONDITIONS

NEWFOUNDLAND—STATEMENT ON LAY-OFFS OF MINERS

On the orders of the day:

Hon. Michael Starr (Minister of Labour): Yesterday the hon. member for St. John's East inquired whether I had been aware that a statement was made in St. John's yesterday by the premier of Newfoundland to the effect that Dominion Steel and Coal Corporation anticipates laying off 700 of their personnel at the Wabana mines, Bell island. I made inquiries through our unemployment insurance commission and they have reported to me as follows:

In December last DOSCO announced that failure of buyers to meet 1961 contracts and reluctance of the market to contract for 1962 would necessitate a cut back in 1962 production. At that time it was thought the work force of some 1,600 would be reduced by 500 during January. This reduction did not occur, however, and on January 28 the mines closed completely for a period that was to run for seven weeks.

The premier of Newfoundland is reported to have announced yesterday in the house of assembly that 700 Wabana workers would lose their jobs almost immediately. In making this statement the premier is reported to have reviewed his negotiations with Dominion Coal and Steel Company to avert the lay-off. These negotiations, he stated, were not successful. It would appear that this lay-off would become effective at the end of the current seven week shutdown. The premier is reported to have had confirmation of the lay-off from Mr. Fairley, the president of DOSCO, but the company did not issue a statement itself.

The prospect of other work in the immediate area for laid off miners is not good and because of their long association with the area, difficulties have been encountered in moving these workers to employment elsewhere.

The root of the Wabana mines difficulties appears to lie in loss of European markets and increased use of ore from Labrador by the DOSCO plant at Sydney. Loss of European markets has been mentioned both by Premier Smallwood and the company. However, as far as we can ascertain no public announcement has been made by either concerning increased use of Labrador ore at the Sydney plant.

Mr. J. A. McGrath (St. John's East): Supplementary to the minister's answer, would he use the good offices of the national employment service in an endeavour to give some priority to displaced Bell Island miners in the various mining operations in Labrador, and thereby give greater effect to the labour surplus provision that is now in effect in Wabana?

Mr. Starr: I shall be most pleased to give consideration to that matter.

DRUGS

STATEMENT ON ACTION TO REDUCE PRICES

On the orders of the day:

Hon. J. W. Monteith (Minister of National Health and Welfare): Yesterday the hon. member for Peterborough asked whether I had seen a brief presented to the royal commission on health services by the government of Alberta, calling for the establishment of a federal agency to examine the cost-revenue position of certain drugs and to take action to reduce prices. I have not seen a copy of this brief, though I have noticed several press reports on it. I feel at the moment I can only say that presumably this problem is now before the royal commission for its consideration.

SALE OF POISONS IN SPECIAL BOTTLES

On the orders of the day:

Mr. Walter Pitman (Peterborough): Mr. Speaker, I wish to direct a question to the Minister of Health and Welfare. Can the minister inform the house whether the department is prepared to take any action to implement the request of the Canadian association of home teachers of the adult blind that poisons be sold only in standard recognizable bottles?

Hon. J. W. Monteith (Minister of National Health and Welfare): Mr. Speaker, offhand, I cannot say definitely whether this request has been received, but we are constantly on top of this problem and considering it at all times.

ADMINISTRATION OF JUSTICE

SONS OF FREEDOM—INQUIRY AS TO REQUEST FOR ASSISTANCE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to direct a question to the Minister of Justice about a matter which is of great interest and concern to the people of Kootenay West. Has the minister any information to give the house with respect to any proposed meetings between himself and the attorney general of British Columbia, Mr. Bonner, in connection with the Sons of Freedom problem?

Hon. E. D. Fulton (Minister of Justice): Yes, Mr. Speaker. Mr. Bonner sent me a message, which I finally received late yesterday afternoon, saying he was coming down to this part of the country and wished to meet me tomorrow to discuss the Sons of Freedom and at least one other problem. I have replied that I shall be glad to meet him tomorrow for however long may be necessary.

PUBLIC WORKS

PAYMENT OF MESSENGER SERVICE BY MINISTER

On the orders of the day:

Mr. Maurice Bourget (Levis): I wish to direct a question to the Minister of Public

Inquiries of the Ministry

Works. Is it a fact, as reported in yesterday's *Journal*, that the minister pays for his messenger service between his departmental office and his commons office out of his own pocket?

Hon. D. J. Walker (Minister of Public Works): Yes, Mr. Speaker. I have done that ever since I became a minister. I pay as much as $70 to $100 a month for my transportation.

POST OFFICE DEPARTMENT

PUBLICATION OF NEWS RELEASE IN FRENCH

On the orders of the day:

Mr. Azellus Denis (St. Denis): May I direct a question to the Postmaster General. I hold in my hand a post office news release marked "Not to be published before 10.00 a.m., February 15". It says that the Postmaster General, after serious consideration and a long period of experimenting with various kinds of writing equipment, has come to the grave decision to exchange the nib pens now on post office counters for more modern ball point pens. Since a decision has been reached on such an urgent and important matter, will the hon. gentleman tell us whether this news release has also been published in French?

Hon. W. M. Hamilton (Postmaster General): While I have not seen the release personally I am certain that has been the case, because it is our standard practice to issue these releases in the language of the publication to whom it is being sent. Incidentally I may tell the hon. member that he will not be able to take away a sample of these new pens, because we are going to have them attached to post office desks by lengths of chain.

Mr. Denis: Will the Postmaster General give the house an assurance that before reaching this very important decision he seriously considered how he would dispose of the old pens?

Mr. Hamilton (Notre Dame de Grace): If the hon. member has any particular use for used nibs I shall be glad to see that he gets all that remain to us. The rest will go back into normal government service. The hon. member might be able to play with the nibs; perhaps he could have a dart game with them. I think that is what they used the old pens for, judging by the quality of the writing they did.

Mr. Denis: Has the minister any idea of the cost to the taxpayer?

[Mr. Bourget.]

UNITED NATIONS

OBLIGATIONS OF MEMBERS RESPECTING CONTRIBUTIONS

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, may I ask the Secretary of State for External Affairs, in the light of the fact that certain member nations are not paying their contributions in support of the peace keeping operations of the United Nations, if he could tell us what the situation is now as a result of the decision of the sixteenth assembly, when it was decided to ask the international court of justice for an advisory opinion as to the legal obligations of all member states to these peace keeping operations?

Hon. Howard C. Green (Secretary of State for External Affairs): Yes, Mr. Speaker. The general assembly, by resolution dated December 20, 1961, requested the international court of justice to give an advisory opinion on the question as to whether the expenditures authorized by the general assembly in relation to the financing of the United Nations operations in the Congo and the United Nations emergency force constitute expenses of the organization within the meaning of article 17, paragraph 2 of the charter of the United Nations.

By an order of the president of the international court of justice dated December 27, 1961, member states of the United Nations have been invited to submit written statements in relation to this question, and the order has fixed February 20, 1962, as the time limit within which such statements should be filed.

In accordance with the opportunity thus made available to member states, the government of Canada will within the next few days be submitting a written statement setting out its views regarding this question.

CIVILIAN WAR PENSIONS

AMENDMENTS EXTENDING PAYMENTS TO CERTAIN GROUPS

Hon. Gordon Churchill (Minister of Veterans Affairs) moved that the house go into committee to consider Bill No. C-64, to amend the Civilian War Pensions and Allowances Act.

Motion agreed to and the house went into committee, Mr. Martineau in the chair.

On clause 1—*Definitions.*

Mr. Carter: Mr. Chairman, is the minister not going to make any statement?

Mr. Churchill: Mr. Chairman, I spoke at some length both on the resolution and at

second reading stage. I feel there is nothing further to be said in a general way with respect to these amendments.

Mr. Carter: Mr. Chairman, I agree with the minister that we have had already a lengthy discussion on this bill and that no good purpose would be served by prolonging the discussion at this stage. However, I wish to assure the committee that I had no intention of introducing a partisan note in this debate, as the minister appeared to allege in his remarks on second reading yesterday. We in the Liberal party have been fully in support of this bill. We fully support the payments being made to the groups concerned under this legislation.

There is only one small point of disagreement between hon. gentlemen opposite and those on this side of the house. It concerns not the terms of the bill or the amount of the allowances but the manner in which they are going to be paid. Since we are going to recognize the worth of the services rendered by these groups who served in theatres of war we feel we should accord them the same recognition we accord other groups who served in the armed forces. In other words we should accord these groups the status of veterans.

That is the proper function of an opposition. We are not here to agree with everything the government does. We are here to point out ways in which legislation can be improved, and that is all we have sought to do.

Mr. Grafftey: The hon. member sounds like a professor.

Mr. Carter: I would ask the hon. member to keep quiet for a moment or two. It has been pointed out by some hon. members that the terms of this agreement are quite satisfactory to the Newfoundland foresters. Perhaps that is so. However, that consideration does not relieve us of our responsibility to the people of Canada to put this legislation on the statute books in the very best possible form. That is our function here, namely to criticize legislation and find ways and means of improving it. No matter of an agreement by anyone can relieve us of that responsibility. Although, as some hon. members have pointed out, the president of the Newfoundland foresters' association made some remarks which could be interpreted to mean that he was satisfied with it, even in the passage that was quoted from his brief to support that argument that gentleman indicated that their first choice was that they should be brought under the veterans charter.

However, apart from all that, I wish the house to consider that more than the Newfoundland foresters are involved. There are the merchant navy personnel to be considered, and they are far more numerous. We have no assurance at all that they are satisfied to have their status as veterans overlooked. In any event, I think we have pressed the point far enough and I do not intend to carry it any further.

I have some questions to ask on the various clauses as they come up for consideration, but since the minister last night indicated that he had gone into the reasons why these people should not be brought under the War Veterans Allowance Act, and since he has not informed the house of these reasons, I think perhaps he might like to do so now.

The Chairman: Shall clause 1 carry?

Some hon. Members: Carried.

Mr. Benidickson: Is no reply to be given?

Clause agreed to.

Clause 2 agreed to.

On clause 3—*Definitions.*

Mr. Carter: On clause 3, will the minister explain what changes, if any, are involved in this clause? The explanation says that it is consequential upon the adding of part XI to the act. However, if we read it we find it states that these claims for pension and so on are now to be adjudicated in a like manner to those under the Pension Act.

Mr. Browne (St. John's West): On a point of order, Mr. Chairman, may I say that I think we just passed clause 2.

Mr. Carter: No.

Mr. Browne (St. John's West): What the hon. member is dealing with is not clause 3 but rather section 3 of clause 2.

Mr. Carter: I was not aware that clause 2 had been passed, Mr. Chairman. I would ask that the committee revert to clause 2, as it was carried very rapidly.

The Chairman: Under the circumstances I think it would be permissible for the hon. member to proceed.

Mr. Carter: What I am asking the minister to do is to explain to the committee just what changes are involved in this wording or in this subsection which states that all claims for pensions, allowances and compensation are going to be dealt with and adjudicated upon in a like manner as claims under the Pension Act.

Mr. Jones: The answer is simply that this section is the same as the section now reads in the present act except for the part underlined, which had to be inserted because of the addition of part XI. Hence the act stands as it stood previously with regard to parts I to

X which are at present included in the act, and part XI is dealt with as set out in the next section.

The Chairman: There is perhaps a difficulty here. Clause 3 is a long one. The committee may wish to discuss it item by item or may wish to pass it all as a single clause. Has the hon. member for Kootenay West some observations to make on clause 3?

Mr. Herridge: Yes. I was going to ask the minister for an explanation of section 68 in clause 3. Section 68 reads as follows:

68. No allowance shall be paid to any person who in world war II served

(a) in enemy forces,
(b) in an enemy ship, or
(c) in war service groups associated with forces of the enemy.

Will he explain why it is necessary to put that clause in this bill? It seems to be somewhat unusual.

Mr. Churchill: I find it a little bit difficult to follow the hon. member's remarks because of other considerations going on in the chamber. Will the hon. member repeat his question?

Mr. Herridge: Yes, certainly. I am asking a question on section 68 on page 4 of the bill, which reads as follows:

68. No allowance shall be paid to any person who in world war II served

(a) in enemy forces,
(b) in an enemy ship, or
(c) in war service groups associated with forces of the enemy.

I wonder why it is necessary to put such a clause in a bill like this.

Mr. Churchill: So there will be no misunderstanding at all may I say that it is a repetition of a section in the War Veterans Allowance Act, namely section 9, which reads as follows:

No allowance shall be paid to any person who served in enemy forces in world war II.

Mr. Herridge: It seems to be unusual and unnecessary in a sense. I would not expect them to get an allowance.

The Chairman: Shall clause 3 carry?

Mr. Carter: No. On clause 69 or section 69, whichever is the way in which you are dealing with it, I have a question to ask. Perhaps I might take sections 69 and 70 together. Does this mean that the groups mentioned in this legislation will be entitled to all the benefits under the War Veterans Allowance Act? If not, that benefits will be withheld?

Mr. Churchill: This is the section which bears on the board's power to adjudicate all claims just as they do now under the War Veterans Allowance Act.

[Mr. Jones.]

Mr. Pickersgill: Is everyone in these categories entitled to every kind of allowance to which persons are entitled under the War Veterans Allowance Act? If not, what difference is there?

Mr. Benidickson: I think that matter is of the essence in our discussion in committee of the whole. With respect to clause 3 the explanatory note states as follows:

The allowances payable under the proposed amendment are similar to the allowances paid to veterans under the War Veterans Allowance Act, 1952.

The hon. member for Bonavista-Twillingate has been more specific than that. The word "similar" is not quite adequate for a member of parliament who is looking at pages 2 to 7, as I recall it, on which appear sections which involve changes with respect to this legislation. I think the minister and his learned parliamentary secretary should indicate to us specifically just what is and what is not similar to the War Veterans Allowance Act so far as these new categories are concerned, because the situation is unique. The bill is not going to the veterans affairs committee for the minute and careful examination that normally always follows after any legislation concerning veterans has been introduced in the house. The government established a standing committee on veterans affairs, but that committee is not being asked to peruse this legislation. This bill is an important matter to a great number of people who have been denied classification as a veteran as requested yesterday by the hon. member for Burin-Burgeo. But that having been denied, what are the additional distinctions? The word "similar" in the explanatory note is not quite adequate in order to assure us that there will be equality. "Similar" is not the same as "same" and "equal".

Mr. Churchill: May I say to the hon. member who has just spoken that if he wishes this legislation to be delayed and referred to the standing committee on veterans affairs, let him say so right now. It will mean postponing consideration of the bill for perhaps two weeks, because it takes quite a while to arrange for representatives of the various veterans organizations to come to Otawa. If he is suggesting that type of delay, let him say so.

Mr. Martin (Essex East): That is not delay.

Mr. Benidickson: It would not bother me.

Mr. Churchill: On the other hand, if the hon. member wants to go ahead with the legislation, let us proceed as we are right now.

Mr. Benidickson: Mr. Chairman, I have great respect for the minister. Over the years I think all members of the veterans affairs committee have proven that they are friends of the veterans, and certainly the minister has proven himself to be one. However, in circumstances of this kind the man who receives all the information and who has the staff to learn all the unsatisfied criticisms is the person who, as in the past, must report to this committee what criticisms he has received that are not satisfied by the legislation.

I am not satisfied that the word "similar" is entirely adequate. In the present circumstances I am perfectly prepared to take the word of the Minister of Veterans Affairs, who has been a good friend of the veterans as have his predecessors in all political parties. I simply want to make sure while we are making what I think is a very desirable advance that I can never be accused of having been lacking in proper criticism and not having done as much as I could when the legislation was before the house.

The word "similar" is not entirely satisfactory to me. I know the minister has received briefs on this matter from all the veterans organizations over a period of a great many years. I simply want him to take the opposition and others into his confidence and tell us to what extent there may be differences between what a regular veteran gets and what these other categories who served this country well in wartime are likely to get under this legislation which I am sure he has much pleasure in introducing at this session, as he should have.

Mr. Churchill: If we restrict ourselves to matters which are relevant to the bill I am perfectly happy, and I know the hon. member for Kenora-Rainy River will do that. The word "similar" was used because there is one slight difference and we wanted to be absolutely frank about the thing. The slight difference is that we have not brought into this particular bill section 4 of the War Veterans Allowance Act, which permits allowances to employable veterans. That particular section has almost fallen into disuse over the years, and it did not seem advisable to introduce it into this bill. As a matter of fact the veterans rely on section 3, where casual earnings come into the picture, and section 4 has fallen into disuse. There are now only 93 recipients under section 4 out of 72,000 people who come under the War Veterans Allowance Act.

Mr. Herridge: There is no necessity to labour the matter, but I should like to ask whether those persons who will be eligible to receive the benefits of this act will receive the same service, the same processing and the same results in principle and practice as recipients under the War Veterans Allowance Act in general.

Mr. Churchill: That is our intention.

Mr. Benidickson: From the same board.

Mr. Churchill: Yes, from the same war veterans allowance board.

Mr. Pickersgill: I should like to ask one question about the 93 persons who are receiving an allowance under section 4. Are those all awards that were made some considerable time ago? Can the minister assure us that no new awards are being made under section 4?

Mr. Churchill: I am so informed. No new awards have been made under section 4. They were all made several years ago.

Mr. Pickersgill: Then it would be quite precise to say that so far as veterans are concerned, section 4 would not be used for anyone coming under the War Veterans Allowance Act, either those previously qualified or those who would now qualify?

Mr. Churchill: It is very unlikely, and there has been no demand from people coming under the War Veterans Allowance Act for the application of section 4, largely because of the improvements which were made in section 3 by way of amendments involving various privileges concerning casual earnings.

Mr. Carter: I should like to ask the minister whether the 365-day clause will apply in qualifying for these benefits.

Mr. Churchill: The only ones to whom that applies among the categories listed in the bill constitute a very small group who served only in England during world war I.

Mr. Pickersgill: Are there any persons in these categories who served only in world war I, and what class would they be?

Mr. Churchill: I wonder whether that is the question the hon. member wanted to raise. There are quite a number who served in world war I. Did he mean only in England?

Mr. Pickersgill: Exactly, that are covered by this exception.

Mr. Churchill: People in the voluntary aid detachment are the ones from world war I whose services was likely only in England; that is, some of them would have served only in England.

Mr. Herridge: There were some in France.

Mr. Churchill: Some of them were in France.

Mr. Benidickson: If they served less than 365 days in world war I would they be entitled to any benefits under the legislation before us?

Mr. Churchill: No, not any more than the veterans of world war I who did not get in the time overseas.

Mr. Carter: Perhaps I should explain my question a little further. I was thinking about veterans who served in the first world war who had less than 365 days in the service and could not therefore qualify for benefit, but who may have enlisted in a forestry unit or some other unit in world war II. It was the position of these people I had in mind.

Mr. Churchill: The world war II service would make them eligible.

Mr. Pickersgill: I am going to risk having the chairman rule me out of order by asking the minister if he does not believe the time has come to remove the 365-day discrimination with respect to veterans of world war I.

Mr. Churchill: That is definitely out of order, Mr. Chairman.

Mr. Chevrier: Are you the chairman now?

Mr. Pickersgill: As a matter of fact, Mr. Chairman, as my hon. friend from Laurier has observed, I do not think we should permit the minister to usurp the functions of the Chair. It is not for the minister to say whether or not a question is out of order. Your Honour allowed me to ask the question, and I feel the minister ought to answer it.

The Chairman: If I understand correctly the minister has given an answer.

Mr. Pickersgill: Well, the answer will be very unsatisfactory to a large number of veterans.

Mr. Jones: If I may speak to the point of order, Mr. Chairman, I would say we are not dealing with veterans, as the hon. member for Bonavista-Twillingate knows. As was decided yesterday, under this bill we are dealing with persons under the Civilian War Pensions and Allowances Act. I believe everyone would agree, in the light of that fact, that the question was in fact out of order.

The Chairman: Speaking to the point of order, I would say discussion must be related to the provisions of the bill.

Mr. Carter: On page 6 of the bill I find this paragraph:

> For the purposes of this section
> (a) "dangerous waters" means such oceans, seas or waters as the board may prescribe;

Does this give the board discretionary powers to determine what shall be considered as dangerous waters?

[Mr. Churchill.]

Mr. Churchill: The whole purpose is to give discretion to the board, and rightly so; because if we put a limitation in the bill then somebody somewhere may come to us and say he had served in waters which for 40 years we had thought were not dangerous but he might prove to us that they were. This provision does give discretion to the war veterans allowance board.

Mr. Benidickson: What are the over-all rights of the minister, in regard to this point, to go beyond what the decision of the board might have been?

Mr. Churchill: There are no rights in the minister to go beyond the decision of the board.

Mr. Carter: I am interested in this question of dangerous waters, because it seems to me that we are giving the board powers in this legislation which it did not have before. Is that the case?

Mr. Churchill: No, that is not the case. Under section 38, subsection (c) paragraph (ii), the war veterans allowance board has the right to determine places, zones or areas as the board may prescribe, to use the words that are in the act. It is, therefore, the same type of discretionary power given to the board.

Mr. Benidickson: The minister cannot alter that decision of the war veterans allowance board?

Mr. Churchill: No. I do not see why he should.

Mr. Carter: I recall pursuing this question in the parliamentary committee on veterans affairs, I think it was at the last session. If I recall correctly I was told by the witness who appeared on behalf of the board that the board was governed in its definition of dangerous waters by a ruling that had been handed down by the Department of Justice. I gather that under the provisions of this bill the board is not required to be bound by any decision handed down by the Department of Justice in this matter?

Mr. Fulton: We do not hand down judgments; we give opinions.

Mr. Carter: Or opinions?

Mr. Jones: Section 23 of the War Veterans Allowance Act states the position; that a district authority has full and unrestricted powers and exclusive jurisdiction to adjudicate upon all matters and questions arising under this act.

Mr. Carter: Perhaps I might explain my point better if I gave a concrete example. I recall submitting a case to the war veterans

allowance board on behalf of a person who had served in waters just off the coast of Newfoundland, between Bell island and the mainland, in which submarines had torpedoed several ore boats. I pointed out that these were certainly dangerous waters.

I pointed out, too, that in the area between Port aux Basques and Sydney our ferry had been torpedoed. These were, therefore, dangerous waters. It was my understanding, however, that these arguments were not acceptable to the board. I am trying to make sure that the board does have discretionary authority under this measure now to designate these as dangerous waters if they so wish.

Mr. Churchill: That is my understanding of the situation.

Clause agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall this bill be read a third time; now?

Mr. Benidickson: Agreed.

Mr. Churchill moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

CHILDREN OF WAR DEAD ACT

AMENDMENTS PROVIDING FOR EXTENSION OF BENEFITS

Hon. Gordon Churchill (Minister of Veterans Affairs) moved the second reading of Bill No. C-65, to amend the Children of War Dead (Education Assistance) Act.

Mr. Carter: Is the minister going to make a statement?

Mr. Churchill: I gave a detailed statement in regard to this measure at the resolution stage. There is nothing I can usefully add at the moment. When we are in the committee stage I will be prepared to answer questions.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Martineau in the chair.

On clause 1—"*Student*".

Mr. Carter: This legislation was first enacted in May, 1953. It was based on the principle that the children of a war veteran were entitled to an education, and that they should not be deprived of an education because their father had been killed in action or had died of wounds or from other causes related to his war service. If we developed this principle we would see it also would apply to the children of veterans who are 100 per cent disabled. In effect it boils down to the ability of a veteran to finance the education of his children. When a veteran dies his family's income is reduced. It consists only of the pension and allowances received by his widow and children. This is true whether or not a veteran dies from causes that are related to his war service.

The original bill was related to those dependants who received pensions under section 13. I recall that a few years ago, when the bill was examined by a parliamentary committee, the war amputees' association pointed out that this legislation applies in cases where a pensioner may only have 10 per cent disability, provided that the cause of his death can be related to his war service. They mentioned that most of their group had a much higher disability rating. Some had 100 per cent, some 60 per cent, and they said they were handicapped in supplementing their earnings to finance the education of their children. Therefore they thought some provision should be made to amend the law so the benefits could be widened.

Now I am pleased to see that there has been a broadening of the benefits and also a clarification of the definition of "student" which may help to extend the benefits. I am also glad that the allowances have been increased, but during the short time I have had to study the bill I have found it is not clear just how far the bill goes toward meeting the wishes expressed by the Canadian Legion, the war amputees' association and other people interested in this matter. Perhaps the minister would take a few minutes to give us a broad general outline of the changes that are proposed.

Mr. Churchill: There has been a great deal of interest taken by veterans associations in this particular act, the Children of War Dead (Education Assistance) Act. That is quite understandable, but in some instances we have gone further than the representations which were made to us by the veterans associations. Up to the present time the act has been a good one, and what we now are attempting to do is to make sure that what I might call the marginal cases are taken care of more fully.

There are instances when a deserving student might be prevented from continuing and completing his course and, having launched him on that course and assisted him in it for maybe three of four years, we want to make sure that he will finish the course and then make his effective contribution to the life of the country. It was because of cases like these, where hardships have resulted when a university course was discontinued, that we have brought in these amendments. We want to be able to continue to

assist a student when, either through illness in his family or because of some economic distress, he has had to withdraw from his educational course for a year or two but then wants to resume it. We do not want the limitation of the age factor to stand in his way. Having made a good investment we want to bring it to fruition. That is generally what we have attempted to do in the amendments here proposed.

Mr. Carter: Are the benefits still limited to the dependants of those veterans whose deaths can be directly related to their war service?

Mr. Churchill: Yes, that is still the same.

Clause agreed to.

On clause 2.

Mr. Benidickson: With particular reference to subparagraph 2 we note in the supplementary notes that this is new. Therefore on the right hand side of the amending bill we do not get the law as it has existed in statute form hitherto. This may be a very desirable provision. I have no objection to it, but I want to know what the minister has in mind; because the wording says:

The minister—

I take it at his sole discretion.

—may extend the total period for which an allowance and costs may be paid—

Does this mean one could keep a student for perhaps 20 years at Harvard, London, or any other distinguished university—

Mr. Martin (Essex East): Toronto.

Mr. Benidickson: —at the discretion of the minister? It says that if he, and I underline "he", is of the opinion that the student's progress and achievements in his course of study are such that it would be in the interest of both the student and the public to do so, he may extend the period. I cannot imagine that we would have a minister of veterans affairs who would not be responsible and who perhaps would not make a proper judgment in the interest of both the student and the public, but I think the provision pretty wide.

I should like an assurance from the minister that he does not see in this an immediate opening through which he is going to give ministerial patronage to a lot of people who have progressed a certain distance with the aid of the veterans educational allowance provisions; and that while he is in office he and he alone, without any limitation upon him could keep somebody pursuing an educational course at high levels subject only to the opinion of the minister as to that person's worthiness with regard to performance. This is a pretty generous wording of the statute, as I read it I have confidence in the minister, but I wonder if he could indicate to the committee his intentions in this regard if this is passed.

Mr. Churchill: I shall be glad to do so. When the officials of the department put this wording in front of me, I objected to it. I said I did not want this discretion. The hon. member for Kenora-Rainy River has pointed out the weaknesses of a provision such as this, but we were unable to find another procedure which would be satisfactory.

Just by way of explanation, may I say that there is an age limitation of 30 years set in the next clause. In some countries it is higher.

Mr. Benidickson: A person could not go on attending college from the age of 18 to the age of 65?

Mr. Churchill: A student who has passed the age of 30 is not eligible for any assistance under this act. The second factor is that this assistance is not for the purpose of obtaining degrees beyond the basic degree; bachelor of arts or bachelor of science or something of that nature. This provision is not intended to foster attendance at post-graduate courses. The third factor is that second class honours are required before a student would be considered for assistance of this type.

Having made that explanation, let me go on to a further point. In discussing this clause prior to bringing the bill before the house I said the only way around the difficulty which I saw was this; that I here and now declare and record in *Hansard* that I do not want to be put in the position of having to make a decision on my own with regard to any student. However, in the circumstances, in the interests of the students themselves, if there should be one, two, or three students who require special attention, I shall make a decision.

Then I go further and declare here that so long as I am in the position of Minister of Veterans Affairs I will disclose to the committee of the whole house or to the standing committee on veterans affairs any action which has been taken under this particular clause, so that if the ministerial discretion has been used unwisely information will be provided upon which the standing committee or the committee of the whole house may take such action as may seem desirable. On the other hand, if the ministerial discretion has been used wisely I would expect the interested parties to say so. As I have indicated,

I am open to suggestions about this, and if any hon. member can provide some other method I shall be glad to consider it.

Mr. Herridge: I am interested in the answer given by the minister to the hon. member for Kenora-Rainy River because I also had this question in mind, and the clause does seem to contain the weakness which the hon. member mentioned. I was interested in the minister's statement as to what he intended to do. I think that course would be satisfactory, particularly if these cases were brought to the attention of the standing committee on veterans affairs whose members closely follow the administration of the act. Would the minister tell us what would be the normal procedure with respect to gathering the information and presenting the facts to him? What would be the procedure before he would be called upon to make a decision? Would he get recommendations from senior officials? I should like to know how the whole thing will be administered.

Mr. Benidickson: I indicated that I have confidence in this minister, as I have had in most ministers of veterans affairs. However, the length of the hon. gentleman's tenure in present circumstances may, perhaps, be somewhat short. The minister has indicated that he has in mind taking his responsibility for using the discretionary power given here very seriously, and he has offered to report to parliament on any decisions made under this clause of the new legislation. Perhaps he or one of his ministerial colleagues would care to advance an amendment providing, for example, that such decisions be reported within 30 days of the opening of the session following the decisions being made. I am not insisting on that because, as I have indicated, I do not think the present minister will need my confidence for very long.

Mr. Herridge: May I make a suggestion? It seems to me that a report of such decisions could be included in the annual report of the department.

Mr. Benidickson: That would be adequate. I am always against naming people who as individuals are entitled to what the law gives them. If it is all above board I do not think any names should be given. With the consent of the hon. member for Kootenay West I would suggest, perhaps, that the number of persons dealt with under this clause could be stated in the annual report. We would still, as individual members of parliament, have the right to ask for specific names by placing a question on the order paper if we chose, though I doubt whether that would be any of our business or whether it would come to that.

We might consider letting this clause rest briefly while the minister gives some thought to this matter. We have one or two other clauses to pass. I myself think we would be satisfied with an indication that the minister would, in his annual report, indicate the number of cases in respect of which he has used the discretionary power given under this particular provision.

Mr. Pitman: Possibly, along with the numbers of people involved, the minister could also report the actual courses taken. I think this clause is an excellent one. It coincides with what is going on in the educational field throughout the country by trying to give young people a particular unit of education, and leaving aside the question of age almost entirely. It provides them with a unit of education so they are in a position to secure employment.

I appreciate that the hon. member for Kenora-Rainy River has called attention to a difficulty in connection with possible suspicions which might arise as a result of the application of this clause, but in the main I think this is one part of the veterans legislation which will particularly commend itself.

Mr. Jones: I wonder whether the purpose which the committee has in mind might not be achieved if we drew to the attention of hon. members what had been done under this clause, as suggested by the hon. member for Kootenay West, in the annual report. As much detail as possible would be given in the annual report, while the disclosure of full information would still be possible on the discussion of the departmental estimates should that information be required. The basic purpose of the reference in the annual report would be to direct the attention of hon. members to this aspect of the legislation. Then when the item came up for discussion during the estimates they could obtain fuller details if they desired.

Clause agreed to.

Clauses 3 to 5 inclusive agreed to.

Schedule agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the said bill be read the third time?

Mr. Pickersgill: Next sitting.

EXPORT CREDITS INSURANCE ACT

AMENDMENT RESPECTING MAXIMUM LIABILITY OF IMPORTERS

Hon. George H. Hees (Minister of Trade and Commerce) moved that the house go into committee to consider the following resolution:

Export Credits Insurance Act

That it is expedient to introduce a measure to amend the Export Credits Insurance Act to increase the maximum liability at any time of importers under outstanding instruments the payment of which is guaranteed by the corporation under section 21A of the act, from $200,000,000 to $300,000,000; and to provide further for a certain change in connection with the administration of the act.

Motion agreed to and the house went into committee, Mr. Martineau in the chair.

Mr. Hees: Mr. Chairman, the bill is a short one with two clauses, the first providing for an increase in the number of directors on the board, and the second to increase by $100 million the funds available for long term export financing.

The Export Credits Insurance Corporation operates in two main fields. It provides export credits insurance to protect Canadian exporters against non-payment by foreign buyers and, second, it provides funds for long term financing. Section 14 of the act provides for a maximum liability of $200 million under which the corporation may take on risks for its own account. Under section 21 there is an additional $200 million under which the governor in council may specifically instruct the corporation to provide insurance in cases where the board of directors is of the opinion that the contract would impose on the corporation a liability for a term or an amount in excess of that which the corporation would normally undertake. The risk involved in any policy issued under this section 21 is carried by the consolidated revenue fund.

In 1961 the corporation insured exports totalling $132 million, and since it started operations back in 1945 it has covered a total of more than $1 billion of export sales. This amount includes consumer goods sold all over the world on credit terms usual for the trade, which extends from cash against documents to a maximum of 180 days. It also includes capital goods sold on supplier credit terms which extend to a maximum of five years credit after delivery.

Claims paid to date total $10.5 million. The corporation does not subsidize exports, but neither is it trying to make a profit. In the long run the premiums should just cover the operating expenses and net losses. The financial statements of the corporation as at December 31, 1961, which will shortly be issued, will indicate that by and large this result has been achieved, and this has been done after insuring exports of $1 billion.

In June, 1961 the Export Credits Insurance Act was amended to provide a fund of $200 million under which long term export financing would be provided to help Canadian exporters of capital goods compete on credit terms made available by organizations in other exporting countries, such as the export-import bank of Washington. Canadian capital goods exporters, with this backing, have been encouraged to seek orders abroad. To date contracts involving exports of $41 million have been entered into on the basis of long term financing. These contracts will involve over 5.7 million man hours of work. Contracts under negotiation for which financing has been approved in principle by cabinet total $114 million. In addition guarantees totalling $31 million have also been given which come under the $200 million ceiling. Thus, out of $200 million available, a total of $186 million has been committed.

We are more than pleased with the results which have been obtained to date by this provision of long term financing; and it is now proposed in this bill to amend the Export Credits Insurance Act, that the $200 million ceiling for long term export financing under section 21A be increased by $100 million. This will enable Canadian manufacturers of heavy capital equipment to continue to seek orders from abroad on terms which are required to secure the business.

Mr. Benidickson: Mr. Chairman, before he takes his seat would the minister indicate what the meant by his reference to the cabinet having dealt with a certain volume of applications in principle?

Mr. Hees: Yes, Mr. Chairman. The cabinet receives from the Export Credits Insurance Corporation recommendations which I, as Minister of Trade and Commerce, bring forward to it for the granting of credit up to certain amounts to cover certain proposed transactions. If the cabinet decides that an application is a good and sensible application, then it passes the application and the firm applying for the credit is advised that the credit is available for the specific sale up to the amount the cabinet has passed. Then if the sale is consummated, it may be made on those credit terms which are made available by the government.

Mr. McIlraith: Mr. Chairman, I think most hon. members of this committee appreciate the export credits insurance legislation as a very useful enactment that over the years since its inception has contributed to Canada holding and developing its place in the export markets of the world. Since export is such an essential item in our total prosperity, I believe hon. members generally will approve any attempt made to maintain this legislation in condition to meet the exigencies that arise from year to year.

The nature of the problems confronting exporters varies sharply from year to year. As I understand the resolution now before us, it foreshadows legislation designed to meet two current problems, the lack of

capital available under section 21A of the act, with which I shall deal in a moment, and an administrative problem under the act.

Mr. Martin (Essex East): When was the act first introduced?

Mr. McIlraith: 1944.

Mr. Martin (Essex East): That is extremely important.

Mr. McIlraith: I had some difficulty hearing the first part of the minister's remarks, when his voice assumed a remarkable degree of gentleness.

Mr. Benidickson: He slurred over his statement.

Mr. McIlraith: In any event I did not hear him. Am I to understand from his remarks that the amount of insurance contracts now outstanding under this act is of the order of $132 million?

Mr. Hees: That is correct.

Mr. McIlraith: And is it correct that the total amount of insurance that has been in force at one time or another throughout the lifetime of the act is something over $1 billion?

Mr. Hees: That is correct.

Mr. McIlraith: If the minister has it available, is he able to give us a breakdown of the item of $132 million, preferably by countries or by general commodities?

Mr. Hees: I have not that information available at the moment, because we are not dealing with that section of the act. I have the details of the orders in council which have been approved and which have materialized into orders under section 21A regarding export credit financing. I also have other information on the subject of export financing. However, I have not information on the insurance, as it is not that section with which we are dealing.

Mr. McIlraith: I must say that the minister is the one who introduced the discussion of the insurance principle under the act, and gave the figures. Since he gave the figures I was interested in them. If he does not have that information available with him at the moment, I am not going to press the matter.

Mr. Hees: I am sure I can get that information for the hon. member if he would like to have it at the committee stage.

Mr. Pickersgill: This is the committee stage.

Mr. McIlraith: I am not pressing the matter at the moment. We can get it at a later stage.

Mr. Hees: This is the resolution stage.

Mr. Pickersgill: This is the committee stage.

Mr. McIlraith: As I see it, the point is that the needs at the moment in the export field have to do with the financing of sales, or in other words the granting of credit in financing sales as opposed to the original need, which was one of insurance only. If I am correct in that statement I think the need for parliament doing what it can to assist exporters in this field is well exemplified by some of the facts of the current trade situation.

The resurgence of the economy in Europe has had certain implications for us that are very real in the competitive field. It is interesting to note these figures. I made some tabulations last evening on this matter. As I read the figures, total world exports in terms of United States dollars between 1956 and 1960 have increased by about 21 per cent. In that same period Canada's exports have increased by approximately 11 per cent. I think that figure tends to indicate the intense competition we must face now as exporters, mainly from the European countries whose economies have gone ahead very rapidly.

The matter can perhaps be put in another way. As recently as the year 1957 we were the third largest exporting nation on a per capita basis. Now I believe we are the ninth exporting nation on a per capita basis. The point I am seeking to make is the need for doing everything we can to assist our exporters. As I see it, since this act is of direct assistance to exporters—indeed the history of it since 1944 has proved this to be so—I think it is wholly desirable that we make available to the corporation such capital as can properly be used under the act. Therefore I am in accord with the general purport of the resolution. As to the other point about certain changes in administration, we can perhaps deal with that matter in the committee stage.

I had one or two questions I wanted to ask. It will be recalled that last year, in June of 1961, the act was amended along certain lines. On that occasion there was a rather extensive debate, and the minister was kind enough to adopt some suggestions I made in the earlier debate when the act was previously amended in 1959, in separating the capital made available under sections 21 and 21A. Then while dealing with the bill itself in the committee stage he was kind enough to make another change that I thought was desirable, namely providing for the tabling of orders in council used under the act, under both section 21 and section 21A. I hope the experience of the minister in the year that has elapsed since the last session has shown that those amendments were helpful and useful.

The point I wish to raise now is this. I wish to ask the minister whether he has conveniently available a breakdown of the funds used—I refer to the contracts either by guarantee or purchase—under clause 21A, by countries. If he could put that information on record perhaps I could then follow up with one or two other questions. However, they would follow from it.

Mr. Hees: Yes, I have the information available, and I should be glad to put on record information with regard to the four contracts which have been completed. The first is for the Argentine, Montreal Locomotive Works, for locomotives. The order in council was P.C. 1961/1543. The amount was $12,500,000. The second was for Brazil, Montreal Locomotive Works, for locomotives. The order in council was P.C. 1961/1732. The total amount was $2,600,000. The third contract was for Chile, John Inglis Company Limited and Sandle and Company Limited, for pulp and paper machinery. The order in council was P.C. 1961/1081. The total amount was $13,500,000. The fourth contract was for Mexico, to Dosco for steel rails. The order in council was P.C. 1961/1794. The total amount was $12,500,000. These figures make a total of $41 million. Then there are $114 million of applications which have been approved by cabinet in principle, but negotiations are still going on between the companies concerned, who we hope, will be eventual purchasers. I am afraid I am not able to give the details. I know the hon. member for Ottawa West would not expect me to do so in connection with those transactions.

Mr. McIlraith: No. As I understand the second item, it deals with matters which may or may not materialize by way of contract.

Mr. Hees: That is correct.

Mr. McIlraith: We hope they will do so.

Mr. Hees: That is correct.

Mr. McIlraith: I also take it that all the orders in council have been tabled as required under the act.

Mr. Hees: That is correct.

Mr. McIlraith: That brings me to this matter. In his references I notice that the minister does not distinguish between a guarantee under section 21A and the purchase of a guaranteed instrument. Can he tell me whether these are guarantees or whether they provide for the purchase of a guaranteed instrument?

Mr. Hees: Three guarantees were given under section 21A. The first is for $10 million. That is the stand-by guarantee to the Export Finance Corporation of Canada. The second is for $9 million to Canadair in connection with the sale of two CL-44 D-4's to Slick Airways. The third is for $12 million to Dosco in connection with the sale of rails to the Mexican National Railways.

Mr. McIlraith: The point I am getting at is that the purchase of a guaranteed instrument would involve the direct expenditure of government funds provided through this corporation.

Mr. Hees: That is correct.

Mr. McIlraith: And that a guarantee would only be a contingent liability that might not ripen into an actual expenditure.

Mr. Hees: That is correct.

Mr. McIlraith: Having in mind the discussion that we had last year, I notice that there has been no provision under this act for whatever guarantee or insurance was given on the Chinese wheat sale. Although I must confess that I have been remarkedly unsuccessful in getting information from the government on this matter, I understand that some such guarantee or insurance was given under this act. Am I right in that?

Mr. Hees: No. I am advised that the Chinese wheat deals did not come under this act.

Mr. McIlraith: That raises one observation I want to make. In so far as the House of Commons is concerned, the procedure under this act is a satisfactory one in that the corporation and the government under certain other provisions must table the orders in council. Therefore the house is fully apprised from time to time as to the actual contracts and liabilities outstanding and the orders in council authorizing them and has the whole picture before it. As the act is devised, the house has full information and some method of maintaining control over the expenditure of public funds under it.

My point is that we on this side have been remarkably unsuccessful in obtaining information about precisely the same kind of transaction in relation to the sale of wheat to China because it was not carried out under this act. I might refer hon. members to the debate of last year, and I can give references if desired. One reference is page 6595 of *Hansard* for June 19. In the case of the sale of wheat to Poland, a communist country, the transaction was carried out under this legislation and consequently the house had full information.

We are now asked to approve a resolution, which I think is a good one in principle, but we are not given the information as to what is the liability of the government or what, if any, burden has been placed on the taxpayers outside this act under this

type of insurance contract or credit guarantee, as the case may be. My argument is that the house is entitled to that information and that all the contracts of insurance of export sales or guaranteeing instruments or purchases of guaranteed instruments should come under this act.

As a matter of fact, I am not quite clear what the authority is for the transactions the government has entered into by way of guarantee of the sale of wheat to China, and the house has no knowledge in this regard and no way of obtaining that information. I respectfully suggest that that transaction and any others there may be that are similar, and about which we have found out nothing, should come under this legislation so that the house may have the information and be able to deal with them as it sees fit.

The Chinese wheat sale was one of some magnitude. Because of its tremendous importance to the western farmers the Minister of Agriculture made an announcement about it and we became aware of it in that way. But having found out that fact we have been unable to obtain information that should properly be available to the House of Commons. Although we are entitled to be supplied with the relevant contracts we have not been able to get them. There may be other contracts of insurance, contracts guaranteeing export paper or purchases of export paper about which we have been told nothing by the government. I would ask the minister to advise us whether or not there are any such other contracts that have not been brought under this act and therefore have not been disclosed to the House of Commons.

Mr. Hees: There are none that come under my jurisdiction, and I feel sure the hon. member realizes that he must get that information from the minister who has jurisdiction over these matters, the Minister of Agriculture.

Mr. McIlraith: Respectfully, Mr. Chairman, I must differ with the Minister of Trade and Commerce on his last statement. He is a minister of the crown; there is collective responsibility and he is responsible. This legislation is his responsibility in the house and we are entitled to know from him in his capacity as a minister of the crown whether or not there are any other contracts of a like nature before he asks us to pass this measure. As I have said, I think that the measure in its own area is perfectly satisfactory and I quite approve of the resolution, but the other point should not be brushed aside so lightly.

Mr. Hees: I am not aware of any.

Mr. McIlraith: Let me ask one more question. I asked some questions in the house about sales to Cuba. I was given information about certain sales to that country and the information appears on page 759 of *Hansard* for February 12. Included in the sales there are items classified as strategic goods.

Mr. Martin (Essex East): Dynamite.

Mr. McIlraith: Whether they are strategic in the sense of being of military significance I do not know, but in any event they are on the list of goods exported to that country. I should like to know from the minister whether or not any of the sales to Cuba have been insured or made the subject of credit guarantee under this legislation.

Mr. Hees: I have not got that information here. There could have been sales. I have no idea. I will find out.

Mr. Martin (Essex East): Oh, this is amazing.

Mr. Benidickson: Amazing.

Mr. McIlraith: Surely that is proper information to ask for at the resolution stage, when we are asked to provide an additional $100 million of public funds for this corporation. Surely we are entitled to know these things.

Mr. Hees: I am advised that the answer is no.

Mr. Martin (Essex East): If the minister does not know, his officials are in the gallery. This is vital information and it is inconceivable that a minister of the crown can get away with simply saying that he does not know. This is information that we must be given.

Mr. Hees: The hon. member for Essex East knows perfectly well that such questions of detail are always asked when we get into committee on the bill after second reading.

Mr. Benidickson: We are in committee right now.

Mr. Hees: We are at the resolution stage.

Mr. Martin (Essex East): It does not matter.

Mr. Hees: The hon. member knows that at the resolution stage we deal only with the principle.

Some hon. Members: No, no.

Mr. Hees: So far as the details are concerned, when we get to the committee stage after second reading of the bill I will be glad to give hon. members all the detailed information for which they are asking.

Mr. McIlraith: I hope the minister will take some instruction from some source on what is relevant at the resolution stage preceding a money bill. With deference to him,

we are entitled at this stage to have all information about what charge is being imposed on the taxpayers. I am somewhat amazed at his argument now, that this is information that we should not have at this stage. It is quite proper information, but if the minister has not got it—

Mr. Hees: If the hon. member will please remember what I said a few minutes ago, he will recall that I said I had been advised that none of these sales to Cuba was insured through the Export Credits Insurance Corporation. I cannot give any more definite information than that.

Mr. McIlraith: Yes, the minister can give me more definite information. If his answer is no, that none of these sales have been insured, I will take his answer. Am I to understand that his answer is no, none of the sales have been insured under this act?

Mr. Hees: Mr. Chairman, these sales that have been made to Cuba are private, arm's length, commercial transactions made by individual firms to individuals in Cuba or perhaps the Cuban government. They have not been made through the Export Credits Insurance Corporation.

Mr. McIlraith: All the sales, or practically all of them, insured under the Export Credits Insurance Act come within that definition. However, if I understand the minister's answer correctly, he now says none of these sales to Cuba have been insured under this act. I will accept his answer. I just want to be clear on that point, as to what the minister means. He will understand my concern with this problem because if he will look at our trade picture, and look at the information given in answers about exports to Cuba and other communist countries on February 12, he will see that a large percentage of the trade increase this year over last year is made up of exports to communist countries.

I believe there are many people today who want to know to what extent that increase in sales to those countries is being insured by Canadian taxpayers through the medium of this corporation. I think it is a proper line of inquiry.

I also can only repeat my concern that the government does not use this act for all transactions which provide export credits insurance or to guarantee export contracts, because I am naive enough to think that the House of Commons must have some watch over the expenditure of the taxpayers' money through the control it exercises in putting a limitation on the capital available under the act.

This is the point I wished to submit for the consideration of the committee, and the point I want to urge on the minister. I think it is about time, this point having been raised a year ago, that the government made a definitive statement of policy as to why it does not include export credits guaranteed to communist countries under this act, when the former practice was that such credits or guarantees were included when, on somewhat similar occasions, they were provided.

Mr. Benidickson: I am astounded at the fact that at this stage of the debate there is no indication the minister, who is asking for an additional $100 million under this measure, is willing to give the information requested. This measure was initiated by a Liberal government, and it has proven beneficial to our export trade. I do not believe the minister will deny this. However, the minister is limiting his request to $100 million of additional authority under section 21A. He knows, as most of us know, that this is the section under which the appointed officers of the crown corporation decide a particular problem is beyond their power to decide, so they take it to the government existing at the time, and of course that means to the cabinet of the day.

The minister said he does not know to what extent there have been encroachments on section 21A, such as the sales to Cuba, and this is the basic reason for parliament's being asked to grant another $100 million. This amount is to be granted to the executive, the cabinet, not the normal officials of the export credits administration. I say that it is common knowledge that most of the encroachments in recent times have been by reason of sales made to countries behind the iron curtain. I have no objection to that. However, the civil servants decided this was a matter beyond their powers of decision, so they took recourse to section 21A which says that when they are not prepared to act in granting export credits they go to the cabinet. This is what they did, and in a big way.

As I say, perhaps I have no particular quarrel with any transaction. However, at this stage I say we are entitled to information as to how the cabinet exercised the authority parliament gave it under section 21A, involving some $200 million. Now, they want another $100 million.

Mr. Hees: If I may interrupt, I would just point out something to the hon. member. I have outlined in detail what we have done under section 21A. I have given him the complete details of the $41 million of contracts that have been completed. I have outlined to him what has made up the $31 million of guarantees and I have mentioned also the $114 million, representing the amount

upon which the cabinet has passed in principle and for which the companies concerned are now negotiating contracts that have not yet been completed. I do not know what more information I can give to the hon. member on section 21A. If he would ask me specific questions, I will be glad to answer them.

Mr. Benidickson: The statute imposes upon the minister an obligation to report to the representatives of the citizens in parliament at a certain date all obligations that have been incurred by the executive under this statute. However, this is outdated in so far as we are concerned right now. I think the minister should inform this committee, before we go on to the other stages of the measure, as to the details of all the transactions under section 21A. This includes the very important transactions in connection with grain sold to iron curtain countries. I have no objection to that but I think in the case of China he should give us information as to what extent they have used up the provision that was made possible by parliament—$200 million under this section—and thereby help to explain why they want another $100 million, with the granting of which I believe, if the proper explanations are provided, we would want to associate ourselves, because it is for export trade.

Mr. Hees: Section 21A deals only with providing long term credits for the export of capital goods. There has been no export financing of goods being sold to communist countries. I have given the details of what we have done under the $200 million we were permitted to use under section 21A, and I am afraid there is nothing more I can tell the hon. member because there is nothing more to tell. The export credits insurance, which he is talking about regarding wheat sales, does not come under section 21A. That comes under section 21 and so I have given the committee all the information it is possible for me to do.

Mr. Martin (Essex East): There is just one point which I think should be cleared up now. I was listening to the observations of the hon. member for Ottawa West (Mr. McIlraith) and it seems to me that with regard to sales to Cuba he was making some very important points that were glossed over by the minister.

The minister, when he replied, said that with regard to sales to Cuba these were transactions between those engaged in private business and Cuban interests. These were described, although I do not think the description is apt, as arm's length transactions. What the minister said is that the government had nothing to do with these transactions. I find it unbelievable that the minister should make that kind of statement in the light of the statements that were made in this house on February 12 in answer to questions 149 and 150 put by the hon. member for Ottawa West.

The hon. member in question No. 149 asked:

> Have any export permits been issued since January 1, 1961, for the sale to Cuba of items which are on the export control list under authority given to the governor in council by paragraph (a), section 3, of the Export and Import Permits Act; and, if so, how many, for what value, and what items?

The parliamentary secretary to the minister replied as follows:

> The answer is yes, 76, the dollar content being $3,269,708.36. The items are 4-77, 5-8. 6-4, 8-43.

Then, in question No. 150 the hon. member for Ottawa West asked:

> Have any export permits been issued since January 1, 1961, for the sale to Cuba of items which are on the export control list under authority given to the governor in council by paragraph (b), section 3, of the Export and Import Permits Act; and, if so, how many, for what value, and what items?

The parliamentary secretary replied:

> The answer is yes, 100; $1,069,553.30; items 9-1.

In the face of those replies the minister is certainly at once put to the task of explaining the reply which he gave to the observations made by the hon. member for Ottawa West. The minister sought to give the impression that with regard to these matters, involving sales by Canadians to corporations or people in Cuba, the government had nothing whatever to do with those transactions. That is not the situation.

Mr. Hees: Mr. Chairman, if I might explain—

Mr. Martin (Essex East): The minister can make his reply when I have finished, but I can only take the minister's words as meaning what the literal interpretation of the English language suggests, and that the minister positively did say these were transactions over which the government had no control whatsoever; they were transactions that were entirely in the hands of private persons.

An hon. Member: Nonsense.

Mr. Martin (Essex East): Someone says "nonsense". That should apply to the observation of the minister because the government is the one that gave permits for these particular transactions.

Mr. Cardiff: That is your interpretation.

Mr. Martin (Essex East): My hon. friend the member for Huron, says "that is your interpretation."

Mr. Cardiff: It certainly is.

Mr. Martin (Essex East): It is the interpretation made by the parliamentary secretary to the Minister of Trade and Commerce in answer to questions put to him on February 12 by the hon. member for Ottawa West. It is not my interpretation; it is the interpretation of the parliamentary secretary. Who is right, the minister or the parliamentary secretary? Are these transactions ones in connection with which the government has some control, some interest? Are these matters those in connection with which there had to be export permits? Do these export permits include explosives, airplane parts, automobile parts—items that can be used.

Mr. Baldwin: On a point of order, Mr. Chairman. Maybe the acoustics on this side of the house are a little different from those where the hon. member sits but I think the hon. minister said, when he was asked this question, that none of the items which the hon. member for Essex East mentioned—

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

Mr. Baldwin: —came within the four corners of this particular legislation for which amendments are now being sought. That having been established, the hon. member must accept it.

Mr. Benidickson: It had not been established.

Mr. Baldwin: He is now attempting to go beyond the four corners of this particular act and speak about matters which do not concern it.

Mr. McIlraith: Mr. Chairman, I submit the point of order has not been well taken. The point at issue is this: the minister in answer to a question I had asked said with reference to Canada's exports to Cuba that the government had no control over them.

Mr. Hees: On a question of privilege. If I can correct what the hon. member says—I said we had nothing to do with the making of these transactions, the financing, or the insuring or the negotiations which led to these transactions.

Mr. Benidickson: But this is financing.

Mr. Hees: We have not financed any of these transactions with Cuba. Neither have we insured any of the transactions with Cuba.

Mr. Benidickson: This would permit you to do so.

Mr. McIlraith: The point at issue was that the minister indicated that the government was in no way responsible for these transactions between private individuals here in Canada and the Cuban authorities. The point being argued by my hon. colleague from Essex East was that that answer, that information, was not correct because in fact the government, through export control legislation, did have some responsibility and some part in it. That is the point of order.

Mr. Hees: We have nothing to do with the negotiation of these.

Mr. Pickersgill: Five o'clock.

Mr. Hees: Either with the financing or the insuring.

Mr. Fulton: On a point of order, it is five o'clock.

The Chairman: It would seem the point of order raised is more in the realm of a debate so that I do not have to consider it any further, but I do notice by the clock it is five o'clock.

Mr. McIlraith: Just one minute to five.

Mr. Fulton: This one says two minutes past five.

The Chairman: Shall I report the resolution?

Mr. Benidickson: It is after five o'clock.

Mr. Martin (Essex East): I had been speaking when the hon. member for Peace River (Mr. Baldwin) raised a point of order that was not a point of order. I was going to ask you, sir, to assert the alertness we know you possess.

Mr. Fulton: Come, come, now Paul.

Mr. Martin (Essex East): The hon. Minister of Justice ought to point out to hon. members that they should not take steps that are contrary to our procedures. I simply want to draw your attention to the fact that at this time I still have the floor.

The Chairman: I shall try to exert my alertness right now and call it five o'clock. It being five o'clock it is my duty at this time to leave the chair and I do so in order that the house may proceed to private members' business pursuant to section 3 of standing order 15.

Progress reported.

Mr. Speaker: It being five o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper.

INTEREST ACT

AMENDMENT TO PLACE CEILING ON INTEREST RATES

On the order:

Second reading of Bill No. C-8, an act to amend the Interest Act.—Mr. Argue.

Mr. Howard: Stand.

Mr. Churchill: This bill has been stood twice, and no representations have been made to me by the hon. member in whose name it stands, the hon. member for Assiniboia (Mr. Argue).

RAILWAY ACT

PROVISION FOR APPLICATION BY TRUCKERS TO TRANSPORT ON COMPETITIVE RATES

Mr. J. F. Browne (Vancouver-Kingsway) moved the second reading of Bill No. C-9 to amend the Railway Act.

He said: It gives me a great deal of pleasure to move the second reading of Bill No. C-9 to amend the Railway Act. It came before the house during the last session and is similar to a bill which was passed last session in connection with the Transport Act. Its purpose is to provide that representatives of the trucking industry shall have the right to make application to the board of transport commissioners for the disallowance of a competitive rate when they consider that such a rate has subjected motor vehicle operators to an undue or unreasonable prejudice or disadvantage.

A number of royal commissions of one sort or another have dealt with transportation problems in Canada and with economic problems generally. Each one of those royal commissions has pointed to the benefits which have come to Canada through having a strong, independent trucking industry. Indeed, the latest royal commission on transportation, the commission which is in the process of reporting at the present time, drew attention to the views of an earlier one in this regard. On page 48 of volume 2 of the report of the present royal commission on transportation, 1961, the following appears:

> Competition from motor transportation, the main medium in competition with the railways, began to be felt by the railways in the fourth decade of the present century. Statistics on the tonnage moved by motor transportation are not available for the entire period. However, even by 1939, the expansion of the facilities in motor transportation and the competition within the motor transportation industry, according to the findings of a study undertaken for the royal commission on dominion-provincial relations, had:
>
> "resulted in diverting a substantial volume of merchandise traffic in particular from the railways.
>
> In the endeavour to stop this diversion the railways in recent years have made many reductions in their rates for this class of traffic, they have improved their service and they have relaxed their packing requirements and lowered their minimum carload weights."

Thus the emergence of an independent trucking industry in Canada has brought about savings in connection with freight movements to many people in business in this country.

On the other hand, the royal commission which was set up to study the choice of route for the railroad to the Great Slave lake had this to say about what happened when the railways operate in the absence of competition. At page 26 of volume 1 of the report of the royal commission on the Great Slave Railway, the following statement is made:

> Railway monopolies sometimes produce strange results with regard to freight rates. For example, the railway companies in advocating the east route emphasized that an advantage of the east route over the west route is that from Edmonton to Waterways is an easier railway to operate than from Edmonton to Grimshaw. Both railways are operated by the same company, but notwithstanding this argument.
>
> (a) the railway rate on fuel oil from Edmonton to Grimshaw (the longer and more difficult route) is 55 cents per hundred pounds,
>
> (b) the railway rate from Edmonton to McMurray (the shorter and easier route, but the route over which there is a monopoly for over half the distance) is 99 cents per hundred pounds.

I think that in the light of the two statements I have just put on record it is clear that Canada needs a strong, independent trucking industry. I say "independent trucking industry" because of the fact that the railways have for the past few years been engaged in acquiring a large hold on the trucking industry. Indeed, the present royal commission on transportation recognizes this fact and points out at page 80 of its report:

> We are satisfied that already these resources have made the two largest railway companies between them the two largest owners of truck fleets in Canada.

I believe that such a situation is not in the best interests of transportation in this country. Not only is the independent trucking industry being threatened by being taken over by purchase on the part of the railway but we have the possibility of the railways endangering that part of the industry which is left, through rate wars which could have the effect of putting the remaining independent firms out of business. This danger, also, is clearly recognized by the royal commission on transportation. At page 66 of the commission's report, the following statement appears:

> Enlightened management in their own interest would not knowingly carry goods at a rate which yielded revenues below the direct out-of-pocket costs, that is, those costs directly assignable to the traffic. To persist in the practice for any considerable length of time would ruin the company. Other things being equal, the regulatory provision for minimum rate control would be redundant.
>
> However, other things are not equal. Because of their relatively enormous size and resources, and the relative permanency of investment compared to firms engaged in other modes, the railways could create intolerable uncertainty in the

trucking industry by sporadic rate wars, so that an efficient trucking industry could not persist.

Further down the page it states:

The effective existence of minimum rate control on railways will not, in itself, eliminate the possibilities of rate wars either between railways and trucks, or between trucking firms. The large firm can always destroy the small if satisfied that the fruits of victory are sufficiently sweet.

Then the report goes on to define one other course that might be taken. It states:

As instruments of national policy certain exemptions from these laws were necessary.

The commission was referring to combines legislation. Then the report says:

The use of traditional exemptions for restrictive purposes should not be tolerated.

I can only assume that the railways are taking every possibility of restricting competition between transportation agencies by the purchase of trucking firms. The report continues:

Part of the economic test of restraint of competition by rate practices is to determine whether the aggregate net return to be realized from the traffic moving under the new rate exceeds the net return from traffic moving under the former rate. If this is the case, the rate is not in restraint of competition. If it is not the case, further examination may be warranted. The board of transport commissioners could be requested to supply the relevant information to the Department of Justice.

I would suggest it is very necessary that the board of transport commissioners be in a position to determine whether or not goods are moving over railway lines at compensatory rates. It seems to me it is impossible for the board to have knowledge of the exact situation with regard to every rate that is put into effect by the railway companies. Indeed, they cannot possibly begin to consider each one of them. There is provision in the Railway Act at the present time for certain safeguards. The act states that rates must be compensatory and that they must not be lower than is necessary to meet competition. The trucking industry has no status before the board of transport commissioners and as they are the main people who would be in a position to know whether rates were established at dangerous levels they are the ones who logically should have the right to appear before the board and draw to the board's attention the fact that this situation has occurred.

It may be said that having a particularly low rate benefits a particular shipper at a given time. If a trucking firm is put out of business because of that fact and the competition disappears, it seems to me it would not be very long before the rates went back up again. In fact, the very people who are entitled to appeal to the board under the present legislation are those who would be the least likely to do so because they would benefit from the abnormally low rate.

While the purpose of all our transportation legislation should be to bring about the lowest possible rates it is also true that we wish to have established rates that are capable of being maintained and we wish to ensure that there will be a continuity of service at those rates.

The type of situation that is mentioned in the report of the royal commission, that the independent trucking industry could be easily put out of business by sporadic rate wars, is a dangerous one. On the other hand, I do not suggest that the trucking industry should be in a position to prevent the railroads from establishing the rates necessary to meet competition or rates that can be maintained at economic levels.

I do not think the board should be empowered to make any change in the rates until it has been clearly established that a given rate is uneconomic. At previous times the board did have the power to set aside a rate established by the railroad until a determination was made. The railroads objected strenuously to that, and I think properly so. However, I do not see the same objection being taken to the board having power to set aside a rate after it has been established that it is uneconomic, nor can I foresee any objection to the trucking industry being allowed to go before the board when that situation exists.

As I stated earlier this bill came before the house last session. I was pleased that the principle of the bill received endorsation in the report of the royal commission on transportation. In my remarks last year as reported at page 8141 of *Hansard* of September 8, 1961 I stated:

On the face of it, if two industries are on equal terms, of course free competition itself would ensure the lowest possible rate to the consumer and that is the ultimate result we want to attain. However, the conditions as between the trucking industry and the rail industry are not equal by any stretch of the imagination. For one thing, the resources of the railway are far beyond those of the average trucking firm.

I am sure you will agree, Mr. Speaker, that those words are strikingly similar to what is contained in the report of the royal commission. While the report makes no reference to the specific amendment I propose to the house, at page 177 of the report it is stated:

The acts which cover those areas of transportation where our investigations lay are chiefly the Railway Act and the Transport Act. Both of these deal almost entirely with aspects of railway regulation. Both will require careful and extensive revision in the light of changing circumstances and

particularly in the light of policy changes undertaken to adjust the loss of the monopoly position of railways in overland transportation.

The report goes on to advocate that a committee of representatives of the regulatory agencies concerned, the Department of Transport and the Department of Justice should be established to consider these matters.

I believe there is a definite sense of urgency about this matter. It is quite clear from the comments made in the report of the royal commission that the amendment I have proposed in Bill No. C-9 is necessary. One can take no other interpretation from the remarks made throughout the report than that this legislation is necessary and I hope it will commend itself to the house.

Mr. Hubert Badanai (Fort William): Mr. Speaker, last September I had the opportunity of speaking in support of this bill which the hon. member for Vancouver-Kingsway (Mr. Browne) is introducing again and I wish to reiterate some of the comments I made on that occasion.

To begin with we must recognize that transportation has undergone a tremendous change from the days of the early railroads. Most of our regulations governing transportation date back to the time when there was neither a trans-Canada highway nor highway transports. The only means of transportation at that time were the railroad and the horsedrawn vehicle, but one could scarcely describe the latter as a competitive mode of transportation.

We are now confronted with a situation which demands revision in our thinking with regard to transportation. We have spent millions of dollars in order to construct a highway system from coast to coast, and more millions are being spent by the federal government, by the provinces, and by the municipalities, in order to provide all-weather roads for the purpose of motor transportation which, in this modern day and age, has assumed an importance of proportions which were not envisaged when regulations were formulated by the federal Department of Transport.

The bill under discussion, if approved, will bring about recognition that this important branch of the transportation industry, trucking, exists for the purpose of serving an ever increasing number of Canadians. It should, therefore no longer be looked upon as an unimportant adjunct to our older established methods of transportation, namely the railways and lake shipping.

The trucking industry, from a very small beginning in the twenties, has now attained a status of considerable proportions, with an investment in excess of $1 billion and carrying more than 100 million tons of merchandise yearly. The Canadian trucking associations of Canada in their submission to the government last June emphasized that the rapid growth of the country and the spectacular progress of technology during recent years had profoundly changed the structure of Canadian transportation services. A serious problem has been created of adjusting transportation policies to meet the new situation created by the public demand for a more efficient and up to date transportation service, such as having goods delivered to your door. This has been recognized by the royal commission on transportation.

All this bill provides is the right of appeal to the board against any discriminatory rates, and the right to be heard in open court. I am particularly keen about the passage of this bill because the lakehead cities of Fort William and Port Arthur are located approximately 850 or 900 miles from Toronto, and approximately 420 miles from Winnipeg.

As a result of the distance between the heavier centres of population, we have never received due consideration from the railways in so far as fair freight rates are concerned. I can give an example of this discrimination. The freight rate on canned goods shipped from Chatham, Ontario to Fort William is $1.57 per one hundred pounds. When a wholesaler in Fort William ships these canned goods to Geraldton or Marathon, there is a charge of $1.37 per one hundred pounds for a journey of approximately 200 miles. As I say, this came about as a result of the horizontal freight rate increases that occurred during the last ten years. It was this policy of horizontal rate increases which damaged our chances to compete with other parts of the country, and which worked to our considerable disadvantage in comparison with the eastern parts of the province of Ontario.

This unfair policy, which we hope the recommendations of the royal commission on transportation will remedy in due course, has had the effect of turning shippers to and from the lakehead to motor transport for some of their needs. It is for these cogent reasons that northwestern Ontario has suffered more than its share from unbalanced freight rates which directly or indirectly everyone must pay. Higher freight costs, I submit, have a direct relationship with higher than average unemployment.

I think we should preserve the competitive spirit in Canadian transportation. The government should preserve competition as it battles cartels and combines. An independent trucking industry should be given an opportunity to compete and survive for the benefit of all Canadians. The passing of this bill will at least give the trucking industry a

chance to speak and fight for itself, from which in the end no one would suffer, but rather each would enjoy the fruit of his labour.

I express the hope, Mr. Speaker, that this bill will be allowed to come to a vote. To me it does not seem to make sense that bills and resolutions should be introduced by private members when everybody knows they are going to be talked out. In my opinion, any question worthy of debate should come to a vote. I believe members should be allowed to vote on it and that they should be free to vote as they see fit without necessarily committing to any policy the government or the party to which they belong, if the majority does not desire to follow the party line. In my opinion these resolutions and bills should come to a vote. I believe the move suggested would be a popular one and that all Canadians would applaud if the government were to come out and say, "We will allow these bills and resolutions presented by private members—"

Mr. Speaker: Order. I think the hon. member is departing a bit from the subject matter of the bill. The rules are clear with regard to the procedure in the house on such bills and it is not necessary to debate what the members' rights are.

Mr. Badanai: I am merely trying to state my opinion. However, in closing I commend this particular bill to hon. members and ask them to vote for it. To my mind this bill is long overdue. It will give to an industry an opportunity to compete on equal terms with other modes of transportation. I think the trucking industry deserves at least that recognition. If the bill comes to a vote, I hope the majority will vote for it.

Mr. O. A. Martini (Parliamentary Secretary to the Minister of Transport): Mr. Speaker, the subject matter of this bill is part of a broad problem of transportation which has been the subject of a royal commission inquiry. This commission is now in the process of reporting its findings and our department does not feel it wise that any legislative change should be made until the commission has made its final report and the government has had a chance to study the whole question. In the meantime we are pleased to have the views of hon. members on the subject and they will be taken into consideration when change is to be made.

Mr. E. W. Brunsden (Medicine Hat): As the seconder of this bill, Mr. Speaker, perhaps I may be allowed a few minutes in which to say that the presentation of the case by the hon. member who first spoke was excellent and clear. I completely endorse everything he said.

My friend the hon. member for Fort William (Mr. Badanai) made reference to the changes that have taken place in recent years with respect to transportation. Perhaps in no other part of Canada has this change been more evident and more pronounced than it has been in the prairie provinces. Those hon. members who live in the west will remember the days when the railway train was a vital factor in transportation. If you lived in a small town in those days the arrival of the evening train and the unloading of the express was an event. Tremendous volumes of materials of all kinds were transported by train, and a truck was a rarity. Today the truck is perhaps the dominant factor in the transportation of a large number of items. It may be of interest to the house to know that quite recently there was a trial run of live cattle from Alberta to Toronto. This is an indication of what is happening.

In my particular area we have had and still have a large number of independent trucking companies. Some of them have failed. They may have failed through inefficiency or they may have failed through lack of a keen appreciation of their particular problem. However, some of them have failed by virtue of the intrusion of competitive trucking systems supported by large institutions.

It is the purpose of this bill, as I see it, to give some protection to these independent companies in order to make it possible for them to have recourse to a referee. It is my sincere hope that in the not too distant future we may see on the statute books of Canada legislation of this type.

Mr. R. M. T. McDonald (Hamilton South): First of all, Mr. Speaker, I should like to congratulate the hon. member for Vancouver-Kingsway (Mr. Browne) on introducing Bill No. C-9, to amend the Railway Act. During the past several years I have been very much interested in this problem which was so well outlined by the hon. member. I was also pleased to hear what the hon. member for Hamilton East (Mr. Martini), the new parliamentary secretary to the Minister of Transport, said with regard to the royal commission. In this regard, however, I might express the hope that the royal commission will publish its findings very shortly. The reason I say this is that the independent trucking companies across Canada are, I think, under unfair competition at the present time. It has been indicated by many royal commission reports that competition is

the essence of good rates. I think it should be said that fair competition is the essence of good rates.

When the C.N.R. and the C.P.R. went into the trucking business they did so in a wholesale way. They were complaining that the trucking companies as a whole across the country were being unfair and cutting rates but I really do not think that was the case, as has been proved by the hon. member for Vancouver-Kingsway (Mr. Browne). I think the trucking industry as a whole caused rates to be more in line with fair competition. It disturbs me greatly that a large crown corporation such as the C.N.R. can enter upon the wholesale purchase of trucking companies across Canada with the taxpayers' money and thus jeopardize the interests of private trucking operators who are making a contribution to the country without any assistance from the taxpayer.

From time to time we have heard that the railways must get into the trucking business. At the present time the railways of Canada control the running rights from the east coast to the west coast and I do not believe this is fair competition with the trucking industry. I know that in Hamilton we have a great many independent trucking concerns who have made many complaints to me about this situation. With all due respect to the hon. member for Medicine Hat (Mr. Brunsden), I should like to point out to him that the independent trucking firms across the country have not come to the government of Canada asking for protection, subsidies, handouts or tax concessions. They have not asked for any of these things. All they have asked for is fair competition so that they in turn can operate their businesses.

I think the railways, especially the C.N.R. which has a vast amount of money at its command, are being most unfair in their attitude toward the trucking firms. I know they are exerting a great deal of pressure so that the independent trucking industry will not have the benefit of legislation such as is now before us. I might indicate certain ways in which they have done this. The C.N.R. and the C.P.R. have appointed as directors of their newly acquired trucking companies men who are also directors of the truckers associations in the various provinces, and every time this problem has come up at some of the association meetings the directors of these crown trucking firms have objected to the independent operators' plea for this type of legislation. I think it is very difficult to comprehend the power of the Canadian National Railways to work against the independent operators.

I will not mention the rate, but I know that the trucking rate from Burlington, Ontario to Calgary and Edmonton was fixed at a certain figure. In the particular instance I have in mind the trucking firm was rendering a great service to the shipper. The trucking firm could go right to the loading dock of the company, transport the load out west and discharge it at the loading dock of the receiver at Edmonton or Calgary, whereas formerly the railway would not pick up the material at the loading dock. The persons shipping it had to take the material to the freight yards for loading on a car. The car was then taken to Calgary, sat in the yard there for a day and a half and some two or three days later the material was delivered.

The trucking firm provided a service whereby they went right to the loading dock of the company and took the material to the loading dock of the receiver in Calgary. I was dismayed to find out that the C.N.R. had bought a very large trucking firm that transported a considerable amount of goods from Burlington, Ontario, to Calgary and had cut some 78 cents a hundred off the rate. The firm that had been doing the job was very disturbed about this. They had had the contract for a great many years, and had secured it through fair competition. They submitted their tender, as did five or six other trucking companies, got the job, and found they were able to carry it out economically and make a fair return.

The C.N.R. came along and took this contract away from them for a certain period of time by cutting 78 cents a hundred off the rate on truckload lots. The firm that lost the contract told me that 78 cents off the rate would put their company about 20 per cent in the hole. I am trying to show that there is unfair competition.

I think it should also be pointed out that in the bill of the hon. member it is quite clear that all he wants to do is to give the trucking industry the right to appeal to the board of transport commissioners so that they can present their arguments there, protect themselves and keep competitive rates throughout the country in line. Then we will not find so many bankruptcies. I am not using the word "bankruptcy" to try to make it appear that the situation is more serious than it is. However, it is really very serious.

My understanding is that the C.N.R. has spent some $10 million to $20 million on the purchase of trucking industries throughout the country. The directors of the firms concerned are still acting as directors of these leasehold companies. I would be very interested in finding out whether in fact these subsidiaries are paying taxes. People can only pay taxes if they make money and we all know that the C.N.R. never makes any money. They are always in the hole and

coming to parliament to ask for money. I would be very interested in finding out whether these subsidiaries of the C.N.R. that control trucking industries across the country are in fact paying taxes and are really in fair competition with the independent trucking companies. I wonder whether these subsidiaries are legitimate business in the same way as the independent operator who has to pay taxes.

I do not think railway monopolies are a good thing. The hon. member for Vancouver-Kingsway has proved many of his points by quoting from royal commission reports which indicate that free competition is necessary. The hon. member for Fort William (Mr. Badanai) indicated that royal commissions on maritime transportation felt that competition was necessary.

I think that the government must take action on this matter. I hope that the legislation will be passed. If there are other speakers who wish to speak I hope they will do so and impress upon the house and the government the need for action in this matter at this time. The Minister of Transport (Mr. Balcer) says that the government will act when the report of the royal commission on transportation is received. Some two and a half years ago when the C.N.R. first went into the trucking business people came to me, as they did to the hon. member for Vancouver-Kingsway, and told me just what would happen in Canada if the railways went into the trucking business. It is now taking place.

The C.N.R. first of all purchased one line from Toronto to Edmonton. Then they purchased another line from Montreal to Halifax. We find now that the C.N.R. and C.P.R. control the running rights from coast to coast and can arbitrarily set the rates at which they will transport products. We are subsidizing the railways to a great extent in my opinion and I simply want to make sure that the subsidy we give them is not going out through the back door to these leasehold companies in order to try to put the independent trucking operators out of business. I say again the trucking industry as a whole is not asking for protection, subsidies, tax considerations or anything like that. All the trucking industry desires is to be able to go to the board of transport commissioners for a fair hearing, and I hope that they can be given this opportunity.

Mr. John Smith (Lincoln): Mr. Speaker, I welcome the opportunity to speak briefly on this bill. I do not intend to go into all the details connected with the bill. I offer my support of the measure in principle and to mention some of the important factors that make it necessary for us to keep a healthy road transportation system in Canada. I hope that if it is not possible to have a vote on this measure tonight the Minister of Transport (Mr. Balcer) will introduce it again in some form in the not too distant future so that we will be afforded an opportunity of doing something definite about this problem, because the bill has a good deal of merit.

I should like to congratulate the hon. member for Vancouver-Kingsway (Mr. Browne) for introducing the bill at this time, and there is no better way in which I can do that than by supporting the principle of the bill. Road transportation by motor vehicles has become a very important part of our transportation system. This system has been developed principally by private enterprise and, over the years has developed into a very efficient system. It is rendering great service to Canada and strengthening our economy.

During the past 25 years we have seen a great many branch railway lines abandoned by order of the board of transport commissioners. I am not quarrelling with that. However in many instances industries in those areas were left without a means of transporting their goods from one place to another. Had it not been for the fact these independent trucking companies provided a service, many of these industries would have been forced to close down. The trucking industry, in some cases, is really the lifeline of secondary industry. That, in itself, is a most important factor and one which should compel us to do all we can to keep the industry stable and in a good financial position.

The two railway companies, the Canadian National and the Canadian Pacific, are getting into the trucking business in a big way. Much of our mail and express is now transported by trucks owned by the two railway companies. This is the business of the railways, and there is nobody questioning their right to do so. However, when the railway companies enter into competition with private trucking companies, I think we should make sure that the private trucking companies are protected from unfair competition. None of us object to competition, and I am sure we do not object to the two railway companies entering the trucking business in a way that is fair and competitive. However, the great resources behind these two companies would enable them, if they wished to do so, to undercut the private companies to such an extent that the private companies may be forced out of business.

There is one service being built up in Canada today which I am very pleased to see. It is a service whereby the railways and the trucking companies work together. I refer to the piggyback service. The trucks are loaded on railway cars which transport them from one place to another. At one time it was

mostly the railways that participated in this service, but now the trucking companies all over Canada are taking advantage of it. I believe this is a place where the two transportation systems can co-operate for the benefit of Canada. We do not want to get into a situation in this country as they did in Great Britain a few years ago. Great Britain nationalized the road haulage transport system and it was turned over to the railway companies for operation. The railway companies ran it for only a few years, then it was turned back to private enterprise, at which time the system was in a rundown condition. This is another reason for keeping the road transportation system in Canada in the hands of free enterprise.

Mr. Speaker, the purpose of this bill is to give the independent trucking companies the right to appeal to the board of transport commissioners against unfair rate cutting. This does not give the trucking companies great powers or a means of exploiting the public. However, in my opinion, it is something that is becoming more important as time passes. We know that if a railway company in operating a branch line at a loss wishes to abandon a line or increase rates, It has to go to the board of transport commissioners for permission. The road transportation system as a part of our transportation system, deserves the same consideration so I heartily endorse this measure. As I say, I hope that if the bill does not receive approval at this time it will in the not too distant future. This is not a bill granting a monopoly to anyone. It is a bill to prevent the big railway companies from monopolizing a business which was built up by these independent trucking companies, built into a very efficient business, and we should do what we can to preserve their undertaking.

(Translation):

Mr. V. F. Dubois (Richmond-Wolfe): Mr. Speaker, last year I had the privilege of supporting a bill introduced by the hon. member for Vancouver-Kingsway (Mr. Browne), and this year I am pleased to speak on a similar bill whose purpose is to help firms or individuals engaged in the trucking business.

There are several business concerns of that type in my riding and in the neighbouring area, and I feel it is our duty to help them by supporting a bill such as the one which is before us today.

If we examine the beginning of the trucking industry in our area, we find that this service was initiated by individuals at the cost of great difficulty and hardship; but they wanted to serve the people and their efforts were successful, because they were able to expand their business constantly and to provide an adequate service to the public according to the needs of the time.

Here is what we find on page 6 of the brief which was submitted to the Minister of Transport (Mr. Balcer) in November 1960 by the Quebec Truckers' Association Inc.:

> Indeed, motor transportation (both private and commercial) accounts for about 13.1 per cent of freight traffic in Canada and pipe lines for 6.3 per cent; the greater part—over 80 per cent—of freight transportation in Canada is still done by rail and water.
>
> Because of their unique bulk transportation facilities, railways still handle the largest volume of freight per year. Therefore, the trucking industry has just taken its share of the traffic volume due to the development and economic progress of Canada.

Mr. Speaker, one who travels throughout Canada, from east to west and even north, easily appreciates that the trucking industry renders invaluable services to all the areas it serves. The truckers do not enter into direct competition with the railways because the localities served by the railways cannot be served or are hardly served by the trucking industry.

Now, if the railways are going to take over trucking services or to develop their railway services by completing them with a trucking service, they enter into direct competition with those private firms which they want to supplant in localities not served by a railway and where the population cannot depend on a similar service.

In June 1961, the Canadian Trucking Associations' Inc. of Ontario presented a brief to the Prime Minister (Mr. Diefenbaker) and to the members of the cabinet. On page 3 of that brief, one could read the following:

> While the trucking industry has tried to settle its own problems, it has also deemed it necessary to make representations to the governments in order to suggest, not that it receive special consideration, but that a policy be adopted which would enable it to operate with maximum efficiency and economy and under fair conditions of competition between the trucking industry and other means of transportation.

We have seen, and we still see, that even the Canadian truckers associations are not satisfied with—

Royal Assent

(Text):

THE ROYAL ASSENT

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

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

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

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An act to amend the Old Age Security Act.
An act to amend the Old Age Assistance Act.
An act to amend the Blind Persons Act.
An act to amend the Disabled Persons Act.
An act to amend the War Service Grants Act.
An act to amend the Veterans Insurance Act.

EXPORT CREDITS INSURANCE ACT

AMENDMENT RESPECTING MAXIMUM LIABILITY OF IMPORTERS

The house resumed consideration in committee of the following resolution:

That it is expedient to introduce a measure to amend the Export Credits Insurance Act to increase the maximum liability at any time of importers under outstanding instruments the payment of which is guaranteed by the corporation under section 21A of the act, from $200,000,000 to $300,000,000; and to provide further for a certain change in connection with the administration of the act.

The Chairman: It being past six o'clock I do now leave the chair.

At seven minutes past six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Hees: Mr. Chairman, this afternoon I erroneously said that we had not insured any sales to Cuba. What I should have said was that we had not financed any sales to Cuba, nor have we financed any sales to any communist country.

As hon. members opposite know, we have always insured sales to any country, including communist countries, from the time that the act was first put into force, in 1944; and during the term of office of the former government several millions of dollars of sales to communist countries were insured.

I shall be glad to table, when it arrives, a report which shows, by countries, the amount of insurance that has been issued for the 12 months as reported to the end of December, 1961.

[Mr. Dubois.]

Further to what I said this afternoon with respect to exports to Cuba, I have reconfirmed that no explosives of any strategic significance have been export licensed from Canada to Cuba.

I explained to the committee, in reply to a question regarding the agreed strategic materials list, that it is a classified document and I am unable to table it. Perhaps I may remind hon. members of what has been stated before in the house with respect to the establishment of the list of materials which are listed as strategic.

Hon. members will recall that there is an organization in Paris called COCOM. The initials stand for "Co-ordinating Committee". The purpose of this committee is to co-ordinate national policies on the strategic classification of materials. As far as control of materials is concerned, international trade is, to all intents and purposes, indivisible. If one country supplies what another refuses, control would be of no avail. There is therefore this arrangement for reaching agreement on what would be classified as strategic.

The governments which collaborate in COCOM are those of all the NATO countries, with the exception of Iceland, but with the addition of Japan. This is the group of countries which, in effect, sets the common standards of what are strategic materials. Canada and the United States are, of course, members of COCOM.

Everything on the strategic list established by COCOM is included within our export control list—a list which has been in existence for many years, as members opposite well know—which is amended from time to time.

Ordinary commercial grades of explosives such as those used for quarrying, road construction and other excavating purposes, are not included in the COCOM list nor are they included in our export control list, and when of Canadian origin may be exported without permit to any destination.

It is my understanding that no more than what might be regarded as small commercial shipments of such explosives have been made to Cuba.

I thought it advisable to give the committee this more detailed explanation. I am well aware that there is an extreme sensitivity on this subject in the United States, and that there has been a tendency apparent in the United States to exaggerate, and possibly misunderstand, press reports emanating from Canada regarding the type of trade which is being carried on with Cuba. We have satisfied ourselves from our own investigation that no arms and ammunition, or other goods

of recognized strategic significance, are moving in our trade with Cuba, and any inference to the contrary certainly tends to do Canada a disservice in our relations with our American friends.

As I have said, Mr. Chairman, I will table as soon as it arrives a list showing the countries for which we have insured exports during the past year and the monetary value of those shipments. The specific commodities in each case are not available for the moment. They will become available when the annual report of the Export Credits Insurance Corporation is made, I believe early next month. At that time the complete list of commodities will be made available. I am unable to present that information at this time.

Mr. McIlraith: Mr. Chairman, I should like to deal with the first explanation made this evening by the Minister of Trade and Commerce having to do with the sales insured under the Export Credits Insurance Act. The minister indicated it had been the practice under the former government and under the present administration to insure contracts for sales of goods to communist countries. So far as I know the contracts of insurance covered one commodity only, wheat. The list of contracts he gave earlier today included the sale of wheat to Poland.

In the light of that explanation of the practice of the present and former governments, in the light of the fact that parliament has enacted this legislation providing for assisting exporters by insuring payment of their accounts and, under section 21A, by guaranteeing payment, it is incredible that the government within the past year should single out the insurance of the one wheat sale agreement with China and refuse to bring the guarantee or insurance of payment of that account—whichever they did—under this act. I can only conclude that the reason for that omission in the face of the past practice is that the government did not wish to disclose the contract of insurance. Under this act it becomes necessary to disclose contracts of insurance and also under this legislation there is a limit on the amount of insurance that can be given. Parliament in that way exercises direct control over the government's expenditure of public funds. As I say, we sought to get information on this subject. We have been completely unsuccessful in our efforts to get the relevant information. I would once again ask the government why the insurance or guarantees—whichever was done on the sale of wheat to China—was not brought under this act. This act is the method provided for giving parliamentary control over that expenditure or the commitment of public funds.

I do not propose to digress into the merits of what was done. I cannot do so because it is impossible for me, as a parliamentarian, to get the information. It seems to me that proceeding in this manner is the wrong way of proceeding. It also seems to me that since this legislation provides a control over the amount of money being committed for export credits insurance, all government insurance of sales contracts should come under it. I raised the point earlier this afternoon. I do not propose to be repetitious about it. However, I think it is a point of major significance. I also think that there must either be a much fuller explanation than that which has been given or some action must be taken that would correct the present unhappy and wrong condition.

Mr. Hees: The list I was referring to has now arrived, Mr. Chairman, and I would ask the permission of the committee to table the list giving the countries and the amounts of export credit during the past year 1961 for those countries.

Mr. McIlraith: Under section 20 or 21A?

The Acting Chairman (Mr. Baldwin): Order. I would ask the hon. member to table the document when Mr. Speaker is in the chair.

Mr. Benidickson: Is all this table relevant to exports under section 21A?

Mr. Hees: No; it is relevant to export credits under section 21. The matter was discussed at some length this afternoon and this information was asked for. I said I should be glad to give it and I am very glad to do so. I ask permission to table the list. As we have had considerable debate on this matter, would it be possible for the house to agree to go to the second reading stage of the bill at this time?

Some hon. Members: Agreed.

Mr. Pearson: In his remarks the minister referred to the COCOM list. This is the list of strategic materials agreed on, I gather, by the members of NATO and of which export is forbidden by the NATO countries to the Soviet union and other communist countries. The minister has said that dynamite, in the form at least in which it was exported to Cuba, is a non-strategic material and therefore is not subject presumably to the limitations or prohibitions of this agreed list. I should like to ask him whether dynamite and explosives are not, in fact, on this COCOM list. I should also like to ask him whether he can give the assurance that no commodity or no item on this list which has been agreed on by the NATO countries has received an export control permit for Cuba.

Mr. Hees: That is correct.

Mr. Pearson: Then, from that answer, am I to draw the conclusion that explosives as such, including dynamite, are not on the COCOM list? If the minister's answer is correct, it means that list does not cover the export from Canada of explosives to the Soviet union or communist China?

Mr. Hees: As the Leader of the Opposition knows, the COCOM strategic list is not a public list by agreement among the countries concerned. I have assured the hon. member and the house that dynamite such as that which was shipped to Cuba is not on the COCOM list. I am not making any sweeping statements on what things are or are not on the COCOM list, as the COCOM list is not a public document by agreement among the signatories to that agreement.

Mr. Pearson: I do not quarrel with the minister's position with regard to the secrecy of his list. If he says that this list has not been made public and that the items on it which are prohibited for export to communist countries are not available in any of the countries that subscribed to this list, if he says that is the situation, then naturally I do not go beyond his statement. However, if I interpret his words correctly, he has also said that the kind of dynamite—and I do not know how you can divide dynamite into categories—which was exported to Cuba is not on this prohibited list to communist countries and therefore because it is not on this list it is not a strategic matter or material and can be exported to communist countries. It seems to me this is a very strange way in which to control strategic materials.

Mr. Hees: I understand this particular type of dynamite, as well as dynamite caps which were included in this shipment, for use in the building of roads and for other domestic uses, have been so considered by the countries that make up COCOM, and have not been considered to be a strategic material.

Mr. Benidickson: You might blow up your enemies.

Mr. Campbell (Stormont): On a point of order, Mr. Chairman, may I say this. If the Leader of the Opposition had any experience in construction or in logging, surely he would know that dynamite is essentially an industrial material. It is in the same category as are picks and shovels, only it is in a more powerful form. As the minister said earlier, anything can be used as a weapon, even a hat pin. However, as a strategic material or as a war material dynamite is obsolete.

Mr. Benidickson: It still kills people.

[Mr. Hees.]

Mr. Martin (Essex East): I know the Leader of the Opposition is grateful to the hon. member for this clarification. I am sure no one is more grateful for the elucidation he has given than is the Minister of Trade and Commerce. I share the difficulty and the concern of the Leader of the Opposition. The hon. member said that explosives, when intended for industrial use, are not on the unpublished COCOM list. But the minister himself used the phraseology that no explosives of any strategic significance have been exported. However, the fact is that explosives have been exported to Cuba. Having in mind the fact that Cuba is not as intensively armed as are some of the great powers, it does not require a great exercise of one's imagination to conceive of the possibility that there is a military value in the use of even industrial explosives. However, the minister is satisfied with his own concept and advanced his definition to resist suggestions that have been made on this subject. But leaving explosives aside for the time being, what about other substances? What about synthetic rubber which has been sold to Cuba in the amount of some $736,000, so we are told in the *Financial Post* of February 3. Where does this synthetic rubber come from? Does it come from the Polymer plant? Was the Polymer plant not set up for a particular purpose during the war? What about sheet and strip steel in the amount of $712,000? Is this material not capable of being used to assist as a military arm? What about electric transformers in the amount of some $567,000 which have been shipped to Cuba? What about steel pipes and tubes in the amount of $312,000. What about industrial chemical specialties and explosives in the amount of $360,000? What about aircraft engines and parts in the amount of $156,000? It is true that these items in their total dollar value cannot compare with the figure resulting from the sales of wood pulp and agricultural items, which are the largest group, but none the less what we are concerned about here is not so much the dollar value as the principle involved.

The minister, I am sure, would be the last one to engage in a commercial undertaking with Cuba of this kind, one that would assist that country in the furthering of policies directed against the ideological interest which the Minister of Trade and Commerce and all of us in this house support. But has he not been put in this embarrassing position, as a result of the suggestion that these articles can be used by the military arm in one way or another, and does he not owe the house an explanation? I hope it will be an explanation that will be more airtight than the one he has given us about explosives. I think that the

minister owes to the country and to this house a more precise and complete explanation than the one he was able to prepare since the adjournment at six o'clock. Perhaps the minister has a supplementary reply. He seems eager to reply. I am sure we are all very eager to listen to that reply.

Mr. Hees: It is very nice to know that for the first time since I have known the hon. member for Essex East he is interested in hearing somebody else speak in this house. The hon. member has dealt with what he considers to be military supplies or supplies having a military potential. In other words, I take it from what he has said, and I should like to have his confirmation of this, that he is dealing with supplies which an army, for instance, would find very necessary for its operation, in fact the kind of supplies without which an army could not operate. Is that correct?

Mr. Martin (Essex East): I was referring to the kind of supplies that could be used for purposes that are obvious to everyone.

Mr. Hees: I take it that the hon. member agrees because he does not deny it.

Mr. Martin (Essex East): What I said was—

Mr. Hees: I have the floor, if you please. The hon. member is not willing to answer the question so I will go on. He was referring to materials without which an army cannot operate, vitally necessary materials for carrying on a war. I had some experience, Mr. Chairman, with the kind of materials an army does need to carry on a war, because for a number of months I was a staff captain overseas, and it was my responsibility to see that the fighting troops had the materials they needed. Therefore I have some knowledge in this regard. Two of the most vital necessities for any army are food and medical supplies. If we had run out of food or medical supplies, our whole operation would have bogged down and obviously we would have been defeated. These are vitally important supplies.

A few days ago the Prime Minister very ably put on the record the volume of goods which, up until quite recently, the United States had been supplying to Cuba. These goods comprised two categories, one food and the other medical supplies. So, Mr. Chairman, the hon. member is trying to make something out of nothing. Anything that one wants to think of can be construed as potential war material because it is material with which an army cannot do without. For instance, shoes, shirts, ties, underwear, overcoats, hats, anything at all that an army needs can be so construed. I can tell the hon. member for his information that when the weather gets cold or wet there are certain articles of clothing without which an army cannot operate and without which the whole military operation would break down.

Mr. Benidickson: They do not need ties.

Mr. Hees: Any article any hon. member can think of is vital if you want to go down that low and use that kind of thinking. I would say that what hon. members opposite are intent on doing by their speeches is one thing and one thing only, namely, doing everything they can to create the worst possible impression in the United States and the greatest possible friction that can be created between this country and the United States.

Mr. Chevrier: That is impossible. You have done that yourself.

Mr. Hees: I would say that even the hon. member for Essex East would agree that perhaps that is a high price to pay for a headline.

Mr. Pearson: You are making the headline.

Mr. Chevrier: You made one much worse.

Mr. Hees: You have done your best; you have contributed.

Mr. Martin (Essex East): Mr. Chairman, we have always thought that the Minister of Trade and Commerce was among the most serene and calm of the ministers in the government.

Mr. Hees: I am completely serene.

Mr. Martin (Essex East): But tonight, unfortunately, he has established a standard for himself that we hardly recognize because the hon. gentleman has lost his temper.

Mr. Hees: No, he has not. He is just as happy as he can be.

Mr. Martin (Essex East): Under these circumstances we will readily understand that it is not possible for him to put forward the best kind of case as he normally would be expected to do. I suggest that in his own interests, and it is his interests we are concerned about, he ought to resort to the characteristic serenity and calm which we recognize him as usually possessing.

I reminded the minister before adjournment of certain replies that were made on his behalf on February 12 by his parliamentary secretary to questions asked by the hon. member for Ottawa West. Perhaps it is worth while repeating one of these questions. This was the first one:

> Have any export permits been issued since January 1, 1961, for the sale to Cuba of items which are on the export control list under authority given to the governor in council by paragraph (a), section 3, of the Export and Import Permits Act; and, if so, how many, for what value and what items?

The minister's parliamentary secretary, who is sitting beside him now, replied as follows:

> The answer is yes, 76, the dollar content being $3,269,708.36. The items are 4-77, 5-8, 6-4, 8-43.

I have before me the *Canada Gazette*, volume 96, for January 24, 1962. Here is 5-8:

> Aircraft and helicopters, aero-engines, and aircraft and helicopter equipment, as follows:
>
> (a) Aircraft and helicopters, not elsewhere specified, and specially designed parts therefor;
>
> (b) Aero-engines, not elsewhere specified, and parts therefor;
>
> (c) Ground and airborne equipment, not elsewhere specified; developed solely or used mainly for aircraft and helicopters.

The only observation I have to make now is that there is a difference between underwear and these items.

Mr. Hees: I am glad that the hon. member has made one sensible observation this evening. I agree with his last statement. With regard to the items he mentioned, helicopters and so on, these are all classed for civilian use and that is why they have been permitted to be exported.

Mr. Pearson: The minister then gives us the assurance that there is no commitment to NATO, no commitment under any NATO-COCOM list of any kind, the details of which—I am not quarrelling about this—we do not know, which would prevent the export of aircraft and helicopters and the other items which my hon. friend has mentioned to communist countries.

Mr. Hees: I have said that we are talking about exports to Cuba and we have not exported anything to Cuba on the strategic list.

Mr. Matheson: Mr. Chairman, I should like to make a few remarks on this resolution having to do with the amendment of the Export Credits Insurance Act. Everyone on this side of the house is genuinely concerned about anything that is going to improve the trading position of Canada. The problem of export business is vitally important. We are interested in anything that assists those who go down to the sea in ships and do business in great waters. These export industries affect Canadians to a great extent.

In the *Economist* of November 4, 1961, the editor directed himself to the problem facing Britain in the matter of improving export financing. The editor writes as follows:

> There has been a distinct change in the past year or so in the British government's reactions to the ever present complaints from exporters that they are being handicapped in world markets by inferior credit facilities.

He points out that Britain has a clear interest in avoiding an export credit race. We on this side, sir, are genuinely concerned about the real picture of trade.

I have examined an article written by E. C. Gould, financial editor of the *Monetary Times*, in the issue of January, 1962, entitled, "A Look at the Shape of Things to Come". He says:

> Most of us have experienced inflation for so long that we are becoming immune to its sinister meaning. One aspect of a false security has been shown by impressive Canadian statistical records with indications of a promising future in terms of fluctuating dollar values.

The learned editor prepares for us two tables which, with the leave of the Chair, I should like to file. Table 1 shows the gross national product Canada in fluctuating dollars for the years 1957 to 1961. In table 2, he shows the gross national product of Canada in constant 1957 dollars. He says that no matter how fast an economy may appear to be advancing in terms of fluctuating dollars, for us there is nothing to be gained by this situation when costs have overtaken profits in terms of real work.

The Deputy Chairman: Order; I wonder if the hon. gentleman would tell the committee how long these documents are before we seek the consent of the committee to have them included in *Hansard*?

Mr. Matheson: They are very short, Mr. Chairman. I would ask leave of the committee to file them.

The Deputy Chairman: Will the committee give unanimous consent to the inclusion of these tables in *Hansard* at this point?

Some hon. Members: Agreed.

Some hon. Members: No, no.

The Deputy Chairman: There does not appear to be unanimous consent.

Mr. Pearson: Read them.

Mr. Matheson: The tables are as follows:

TABLE 1

The Gross National Product
Canada
(In fluctuating dollar values)

Year	G.N.P.
1957	31,443 million
1958	32,606 million
1959	34,857 million
1960	35,959 million
1961 (estimated)	35,725 million

TABLE 2

The Gross National Product
Canada
(In constant 1957 dollars)

Year	G.N.P.
1957	31,443 million
1958	32,110 million
1959	33,211 million
1960	33,807 million
1961 (estimated)	33,620 million

An entirely different result has been indicated by a study of the same statistics in conjunction with the second table which I have just read to this committee. Studies of real dollar value related to the gross national product have been employed to show a period of drift, with our national economy almost at a standstill.

Mr. Bell (Carleton): May I raise a point of order, Mr. Chairman? I know the hon. gentleman is one of the more junior members of the house and I hesitate to intervene, but surely what he is now discussing has nothing whatever to do with the resolution under consideration. He is dealing with matters generally in relation to trade, and dealing with them in the way in which the house has become accustomed to the hon. gentleman dealing with issues—but certainly not dealing with the Export Credits Insurance Act, which is the subject before the committee.

Mr. McIlraith: If I may speak to the point of order—

Mr. Matheson: My point is to discuss the question of export credits insurance—

The Deputy Chairman: Order; does the hon. member for Ottawa West wish to speak to the point of order?

Mr. McIlraith: If Your Honour will hear me before making a ruling on the point of order raised, I would point out that the resolution reads:

> That it is expedient to introduce a measure to amend the Export Credits Insurance Act to increase the maximum liability at any time of importers under outstanding instruments the payment of which is guaranteed by the corporation under section 21A of the act, from $200 million to $300 million; and to provide further for a certain change in connection with the administration of the act.

This raises the whole question of this act which is designed specifically—

Some hon. Members: No, no.

Mr. Bell (Carleton): This act, but not the whole subject of trade.

Mr. McIlraith: As I was saying, it raises the whole question of the administration of this act, which is an act designed to assist directly our export trade, one of the biggest factors in contributing to the health of our economy, to the gross national product and to the development of the economy at a given time. It therefore appears to me, Mr. Chairman, that the arguments of the hon. member for Leeds are directly relevant to the resolution before the Chair.

Mr. Hees: I submit that a recitation of figures relating to the gross national product, year after year, has nothing to do with the act that we have before us for consideration.

Mr. Pickersgill: If I may say a word on the point of order that was raised by the hon. member for Carleton—it is probably going to take more time than the hon. member for Leeds would have taken—I would say that when we are asked to put up another $100 million for insurance and export credits, it is relevant to know whether we are doing this for expanding trade or contracting trade. You cannot make an intelligent judgment as to whether another $100 million—

Some hon. Members: Hear, hear.

Mr. Pickersgill: I know hon. gentlemen on the other side of the house regard $100 million as very insignificant after the billions of dollars they have added to the expenditures, but we do not. Before we are asked to pledge another $100 million of the taxpayers' resources, we should know whether our trade is expanding or whether it is contracting. As I listened to the hon. gentleman very carefully, I thought that was the precise point which the hon. member for Leeds was seeking to make. It seems to me we could not have an intelligent discussion of this subject at all without discussing that point.

The Deputy Chairman: The resolution, by its wording, is quite wide in my opinion, and I fully intend listening very carefully to the hon. member for Leeds. If I feel there is a difference between his remarks and what the Chair considers relevant, I will rise myself to a point of order.

Mr. Matheson: Thank you, Mr. Chairman. I will certainly direct my remarks precisely to this important problem of export financing because we certainly need it. Canada is far down on the list of nations for increased exports of manufactured goods in the first nine months of 1961. I quote for reference from the Toronto *Globe and Mail* of January 16, 1962, which shows a table indicating the proper position of Canada. As the chart shows, major gains were achieved by Italy, West Germany and Sweden, Canada is very far behind in this list.

Now, if we look through the press carefully we find that there are some very disturbing things about our trade position. The Toronto *Globe and Mail* of January 30, 1962 has this headline, "A Little Reflection on Export Totals Dulls Shine". The editor, Fraser Robertson, says:

> It is too soon for Canadians to congratulate themselves on the course of foreign trade. Take the wheat out of the statistics and not very much improvement is shown in general export trade—
>
> —a part of the higher export values is attributable to inflation through a falling exchange

rate, . . . inflationary gains in the national accounts do not represent real gains in either production or employment.

The other day I asked a question regarding Canada's exports to communist countries. It was starred question No. 137 and we see in the answer, set out in *Hansard* on February 12, 1962, that there was a spectacular improvement with respect to Cuba, a jump up to $24,750,137, almost $25 million. Then we have the answer with respect to other communist countries, showing a great big jump in regard to communist China from $8,737,363 to $114,916,725, and that is only up to October 31, 1961.

Is it any wonder that we find the Vancouver *Sun* for December 19, 1961, saying "Canadian Wheat buys China Army."? The article contains the following:

Communist China is buying its army's loyalty with Canadian wheat.

Now, we are happy to see this Canadian wheat being sold but we want to see that these are proper sales. This is the place right here, and now is the time for us to be told about the circumstances and the facts. According to the article in the Vancouver *Sun,* Shu-Kai Chow, chairman of Formosa's commission on overseas affairs said:

The wheat is also being used as a political weapon in China's international politics . . . "They are selling Canadian wheat to Albania while Chinese starve."

This is merely strengthening communist China's hand in its imperialist ambitions.

The Calgary *Herald,* on October 6, 1961—and I might recall the editor, Basil Dean, was very friendly to this government—said:

The Canadian government has agreed to allow red China credit of up to $100 million for the purchase of our grain . . . The deal becomes even more intriguing amid the many reports that Red China is in poor financial shape and may have difficulty paying its debts.

Therefore we are concerned about the insurance circumstances of these deals. We are interested to know if it is the wheat board which takes the risk.

Mr. Campbell (Stormont): Will the hon. member permit a question? Have the editors of these various papers agreed to the plagiarization of these papers to this extent?

Mr. Matheson: I might say to those who are interrupting me that we are trying to put forward fearless, constructive arguments to the government and we are not assisted by the great army of experts available to the government. We know they are doing the best thing they can do, if their assistance is called for, but we do not have that kind of advice. Evidently this administration does not appreciate the fact that a great number of people come to its assistance, while we look to the press for assistance and guidance on the things we do. Let us look at the Montreal *Gazette* for September 26, 1961, which states:

Sales to communists sustain export trade . . . As a result of the U.S. trade embargo, Canadian exports to Cuba rose from $4.1 million to $12.4 million—

—and that was referring to the first five months of 1961. We want the facts provided for the anadian people. We believe in bilateral and multilateral trade. By multilateral trade we are making it possible—

An hon. Member: What is he talking about?

Mr. Matheson: I shall be pleased to answer any questions.

The Deputy Chairman: Order. While I am on my feet to ask hon. members to refrain from a multiplicity of interjections that come from several mouths at the same time, and therefore prevent the Chair from hearing what the hon. gentleman is saying, I want also to caution the hon. member for Leeds from wandering too far off the narrow track of the resolution which deals primarily with the insurance of exports and does not infringe, to the extent that he has, on the subject of trade in general.

Mr. Henderson: You did not miss anything.

Mr. Matheson: Thank you, Mr. Chairman. One of the people who seems to have given a thorough study to this type of problem is Ludwig Erhard, vice chairman and minister of economic affairs of the Federal German Republic. This is a man who over a period of a good number of years studied the errors of Germany under the Hitler administration. I trust his talents and his training were no less than those of some experts whose names have been referred to in this debate in interjections across the house. German unemployment is low. Workers' real wages have advanced 60 per cent since 1950. Erhard's philosophy is contained in this statement:

The most successful means for the achievement and retention of prosperity is competition. Only by competition can an economy expand to serve all people especially in their capacity as consumers and dissolve all advantages that do not result directly from higher performance.

That is what he writes in his important book "Prosperity through Competition".

At different times the editor of the *Economist* has stressed these facts, that what we need most in export financing, is first to have available adequate finance, and second, interest rates which are realistic and will assist in the development. According to the stand taken by him, and this

appears in a great number of articles, interest rates have an important bearing. Of course, he is referring to the London market.

Ludwig Erhard enjoins against anything that would be a technique, a device, a trick or a gimmick to place his nation in a position different from those others working together in the development of trade and I hope the minister, when he explains further what has taken place with respect to this bill, will tell us what he has in mind that requires more money. We are happy to see $100 million extended, if it is actually going to assist export finance. We all recognize that the best help for exports is to keep price levels steady, but the use of questionable methods, questionable techniques and deals with reference to exports can do a great deal to injure Canada at a time when she certainly has not adjusted herself thoroughly to international changes and developments in other countries.

I am not going to wander off—

Mr. Slogan: It is about time you wandered back again.

Mr. Matheson: We have not faced up at all to our trade problems. This $100 million is a very small amount of money in the over-all picture but we do not know any of the circumstances surrounding the need for this amount. Now is the time to tell us about the sale to communist China. We ought to get the answer. The Canadian people ought to get the answer.

An hon. Member: Are you opposed to the sale?

Mr. Matheson: We would like to know something about the sale. We have been trying for two weeks to find out something about the sale.

Mr. Creaghan: Mr. Chairman, a decision was taken in this house on that issue and that means we cannot talk about it time and time again.

Mr. Benidickson: You do not get $100 million from this parliament without a little talk.

Resolution reported and concurred in.

Mr. Hees thereupon moved for leave to introduce Bill No. C-68, to amend the Export Credits Insurance Act.

Motion agreed to and bill read the first time.

The Acting Chairman (Mr. Chown): When shall the bill be read a second time?

Mr. Pickersgill: Next sitting.

The Acting Speaker (Mr. Chown): I believe the Minister of Trade and Commerce had some documents he wished to table. While I am in the Speaker's chair, perhaps he could have leave to do that. It is agreed that these documents may be tabled?

Some hon. Members: Agreed.

SMALL BUSINESSES LOANS ACT

AMENDMENT RESPECTING BUSINESS IMPROVEMENT LOANS

Hon. Donald M. Fleming (Minister of Finance) moved the second reading of Bill No. C-49 to amend the Small Business Loans Act.

He said: The proposed amendment to the Small Businesses Loans Act will serve to broaden the terms of this legislation. Briefly, it is intended to add to the purposes for which guaranteed loans may now be made. In effect, the amendment makes provision for dealing with credit requirements of small enterprises for the purpose of relocating business premises.

Hon. members will recall that this legislation was introduced about a year ago to fill a gap in existing credit facilities. At that time, there was general agreement that proprietors of small businesses experienced difficulties in obtaining funds on suitable terms and conditions to finance capital improvements. The act was designed to alleviate this situation by providing that each bank be guaranteed against loss up to 10 per cent of the business improvement loans made by it. Such loans are now available for the purchase and improvement of equipment as well as the expansion and renovation of business premises. The maximum amount which may be borrowed by a small businessman is $25,000 and the maximum period of repayment runs for 10 years.

It gives me great pleasure and satisfaction to inform the house that notwithstanding the relatively short period during which the legislation has been in operation, the merits of this loan scheme have been clearly demonstrated. There is, in fact, tangible evidence of the sizeable assistance obtained by small business enterprises in all the provinces. I should like to say that the banks in carrying out the task of administering the scheme have acted in an effective and co-operative manner and deserve a large share of the credit for the results achieved to date.

From the inception of the act in January 1961 to the end of last December, 2,977 loans amounting to over $25.5 million were made to small business enterprises. Out of total loan disbursements, service businesses accounted for about one half, retail establishments for

about one quarter, manufacturers for about one fifth and the remainder of the loans went to wholesalers. The average size of individual loans was around $8,600. To conclude this review, I should point out that during the period from April to the end of December when the initial difficulties of operating the loan scheme had been overcome, lending took place at an annual rate of about $32 million. There is every reason to expect that this level will rise substantially as more and more small businessmen become familiar with the facilities provided under the act.

Of course, developments in the field of business improvement loans were kept under constant review by the government. Although progress under the legislation has been gratifying, the experience gained from operations during the past year indicates that there is one area where a broadening of the terms of the legislation would provide a useful additional measure of assistance to small business. Specifically, the act in its present form does not provide authority to finance the acquisition of business premises at an alternative location and this has led to some disappointment among potential borrowers, for example, in cases where relocation is forced on a proprietor because zoning regulations do not permit him to expand his existing premises. Accordingly, it is intended to make business improvement loans available for the purpose of financing the construction or the purchase of premises at an alternative site. In detail, proprietors of small business enterprises will be eligible for relocation loans not only in those instances where the premises at the present site cease to be available, but also in cases where relocation makes sense as a sound business proposition.

In introducing the small businesses loans legislation at the last session of parliament, I referred to the important role played by small business within the framework of the Canadian economy and I expressed the hope that the act would be instrumental in furthering the efficiency and competitive strength of small business enterprises. As indicated, there is every reason to believe that the new credit facilities can make a significant contribution towards achieving this objective. No doubt, the proposed amendment will prove useful in rounding out the assistance available to small business and will help to ensure the sound development of this important sector of the Canadian economy.

Mr. W. M. Benidickson (Kenora-Rainy River): It is always difficult to follow the Minister of Finance (Mr. Fleming); he uses flowing words with very little substance. I think I can indicate this to the house by saying that all members will recognize that this bill was not preceded by any resolution. If there had been a resolution, it would have meant that some financial commitment on the part of the crown was involved.

The original bill was, of course, grandiose. It enabled the crown to make guarantees to the banks in respect of loans to small businesses which, in aggregate, would involve $300 million. What has been the result in one year, a year during which business has needed all the support it can get? The result has been, according to the *Financial Post* report of January 27, 1962, that instead of $300 million the loans have amounted to about $27 million.

The Minister of Trade and Commerce (Mr. Hees) who always goes across the country as a great optimist, hailed the introduction of this act. Here is a headline from the Toronto *Telegram* which reads: "Hees hails the new loans as $300 million pool to aid small business".

Some hon. Members: Hear, hear.

Mr. Benidickson: We have now had this measure in operation for a year and instead of $300 million flowing into the economy of this country the loans amount to the dismal sum of $23 million, as all hon. members who have read *Hansard* must know. The reason for this is that the bill itself when it was introduced originally was not adequate for its purpose. After the speech from the throne was read by the business community of this country, as represented by the *Financial Post*, they surmised that the Minister of Finance and those associated with him had realized after a year's experience of this legislation that it was not adequate. That business community thought the government intended to do something about it. They thought that if the government were amending this act in the first year after its introduction there would be at least three important changes—not merely one change of very little significance. Certainly it is of little significance if there is any thought of having an election in the next few weeks. What they had in mind was an easing of the limitation to which the minister referred, namely, the limitations setting the maximum amount of the loan at $25,000. After taking note of the publicity given in the speech from the throne, the *Financial Post* stated on January 27, 1962:

> Surely, we shall have a doubling of the maximum amount of the loan from $25,000—

Mr. Campbell (Stormont): On a point of order. Must we be exposed to this consistent plagiarization of papers?

The Deputy Chairman: Order.

Mr. Benidickson: This very reputable financial journal having heard from the governor general the words which were put into his

mouth by the Prime Minister (Mr. Diefenbaker) thought that under this legislation the business community was entitled to expect something of consequence.

Let me make this point. Do we get in this amending bill recommended by the Minister of Finance a suggestion that we should have a maximum loan of $50,000 rather than $25,000? No. Do we have here any suggestion that we would change the amount, which at the moment is $250,000, of the maximum income for a business that might be entitled to apply to a bank for a loan under this legislation?

The *Financial Post* thought that this government would see fit to bring in legislation that would increase the maximum to $750,000, three times what the present legislation provides. In some detail they pointed out that in December of 1960 the opposition co-operated by approving with alacrity all those measures introduced by the government which would tend to provide employment to the Canadian people. This is one of those items which received unanimous approval early in December.

During the recess while visiting my constituency I had a personal experience—

An hon. Member: It must have been devastating.

Mr. Drysdale: Please do tell us about it.

Mr. Benidickson: I met several business people who wanted to know what their opportunities were to borrow from the banks. These people had read the speech from the throne of November 1960 and were aware of the alacrity with which the opposition had co-operated in assisting the government in approving legislation that would assist in alleviating unemployment and stimulating the economy.

The Acting Speaker (Mr. Chown): Order. I think it is unfair to the hon. member who has the floor for those hon. gentlemen who are in very close proximity to be making interjections that are disturbing to his continuity of thought. I would ask those hon. members who are making such interjections to withhold them until such time as they can take the floor themselves and make whatever contribution they wish to the debate.

Mr. Benidickson: Mr. Speaker, I was reminding the house that in November of 1960 the government introduced a bill relating to credit for small business. That was one of the measures advanced by the government that might stimulate business and assist to correct the chronic unemployment situation that then existed. At that time the opposition fully co-operated and with the greatest speed passed the legislative recommendations brought forward by the government.

Four weeks after the House of Commons had done its job it became apparent that the cabinet had not done its homework. Hon. gentlemen who make up the cabinet did not have ready the regulations under which the commercial banks of this country could extend credit until January 19, 1961. This is what happened despite the fact that in the election campaign of 1957 the great messiah of the Conservative party was stating publicly that we must make available for small business lending opportunities similar to those available in the United States. Speaking in Brockville in May of 1957 the present Prime Minister referred to 35,000 small manufacturing concerns across this country which were not receiving the credit facilities to which they were entitled.

As reported in the Ottawa *Citizen* of May 9, 1957 the hon. gentleman increased that figure. He referred, according to the press, to 37,400 manufacturing establishments in Canada employing 99 persons or less that should be entitled to better credit opportunities.

That was the position taken by the Prime Minister in 1957. The Conservative government did not introduce this legislation until November 1960. I say that the executive of the country had not done their homework. They had not even thought out this matter in advance. Although parliament unanimously approved the legislation early in December the regulations under which the improvements would be made available to the commercial banks were not introduced until January 19.

The results have been dismal. Contrary to the impression created by headlines such as those which indicate "Hees Hails New Loans of $300 million", I invite the attention of hon. members to a return prepared for the hon. member for Ottawa West (Mr. McIlraith) which appears at page 525 of *Hansard* of February 5, 1962 indicating that since the introduction of this legislation only $23 million has been loaned under its terms.

I ask the Minister of Finance whether he has given consideration to the criticisms we hear of this legislation. What about the maximum of $25,000 which the *Financial Post*, in the light of the speech from the throne, optimistically assumed would be increased to $50,000? No such provision appears in the bill that is before us.

There is no broadening of the definitions except for the purpose of permitting a business improvement loan to be made for construction on an alternative site. That is all that is in this bill. Hon. members know that if there was anything of consequence involving increased expenditures on the part of

this administration under this legislation this bill would have been preceded by a resolution. Instead of that we are confronted with minor amendments redefining a certain entitlement affecting very few people under this grandiose scheme of $300 million which, as I have pointed out, over the course of 13 months has involved loans to the small business community of only $23 million.

Mr. Fleming (Eglinton): Is the hon. member aware that the figures he is using are wrong?

Mr. Pickersgill: You mean the figures you placed on *Hansard*?

Mr. Benidickson: I am referring to a return that appears at page 525 of *Hansard* of February 5, 1962, the last report this government gave to members of the House of Commons.

Mr. Fleming (Eglinton): The hon. member referred to 13 months.

Mr. Benidickson: Yes. Parliament passed this legislation early in December of 1960 following the speech from the throne of November of that year. The government received the fullest co-operation from the opposition in enacting every legislative item in that package of measures designed to improve the economy and alleviate the unemployment situation. As I have said, the regulations which required cabinet study and activity were not available over the Christmas period and the commercial banks could not take advantage of them until mid-January of 1961.

In 1957, as I pointed out, the Prime Minister indicated that approximately 37,000 small businesses across Canada would receive assistance under legislation of this kind. He said he was enamoured of similar legislation operating in the United States. The present measure falls far short of what was urged upon the Canadian people by the Prime Minister in 1957, and even four years later we observe that not much progress has been made. One headline to which I referred mentioned $300 million being made available, but just a week ago in this house the minister reported that only $23 million have been made available under this legislation through the commercial banks of this country.

Mr. H. W. Herridge (Kootenay West): I rise, Mr. Speaker, for the purpose of saying a few brief words on this bill. First of all, let me say that this group supports the principle and purpose of the bill because it believes in promoting legitimate and socially desirable free enterprise.

Some hon. Members: Oh, oh.

[Mr. Benidickson.]

Mr. Herridge: I notice the applause from the government benches, Mr. Speaker. I also wish them to note the qualification of my statement.

An hon. Member: It is a step forward.

Mr. Herridge: The bill has been in operation only a short time. However, from my own experience, in talking to certain persons in my own constituency, may I say that I think it has been of some benefit. I think there is some justification for the criticisms made by the hon. member for Kenora-Rainy River, (Mr. Benidickson) namely that the act is not quite as imaginative and good as it might be. In view of the experience of the operation of the act I suggest that the minister consider bringing in some further amendments to widen its application and to make it even more useful.

I am very much interested in this measure. It has been brought to my attention that it has been of some value to small industry in my district and to small businessmen and merchants, and that in some cases persons wishing to provide services on a small scale in small communities found this act beneficial in getting started. I refer to the solid type of citizen who has property, character and ability but has not the required money. Under these circumstances I think this act has been of some benefit.

I notice that it has been of benefit to the tourist industry in my constituency in getting funds from the banks for the erection of fishing camps and tourist cabins and for the improvement of facilities connected with resorts and so on. I have had one or two cases of those engaged in fur farming having taken advantage of this act. To my knowledge there is one case of a man who has undertaken a small boat building industry, just a one-man or two-man show, and who has taken advantage of the act. I am very keen on this matter of promoting the small scale industry and the small scale business in the local community, inasmuch as the society in which we are living at the present time is actually destroying free enterprise of all kinds, with the large scale development of monopoly capitalism.

I notice that the hon. member for Greenwood (Mr. Macdonnell) is listening very carefully and that up to a certain point he seemed to agree with me. However, I do not think he altogether agrees with my analysis of what is happening in modern society. Nevertheless, I feel very keenly about that matter.

When the minister speaks, I wish to ask him whether he thinks this act will also apply to trappers. We have some trapping industries operating quite extensively in the constituency in which I live. We have good trappers who are licensed to operate in the district. Some of them have trap lines which

are 50 miles long and they get from $3,000 to $10,000 worth of furs in a winter. But sometimes a young man commencing wishes to get a set of traps and to build a line. When the minister replies I should like him to tell the house whether this legislation would apply to such a person wishing to engage in the trapping business; I refer to a small business.

While the act has been in operation for only a short time the experience with it has proved the necessity for this amendment. We have noticed the same thing with a good number of pieces of legislation that have been brought before the house. It is something that is normal and I am always pleased to see it. I am glad to see governments amend acts as a result of the experience in their operations.

I might say that one thing which has been brought to my attention on several occasions during the last year, particularly by persons engaged in the tourist business or summer resort business is that they could not take advantage of the act because they wanted to relocate cabins, certain facilities or things of that sort. I understand that this amendment would make it possible for these people to relocate on more suitable sites, to develop other sites and so on. Strangely enough, only this morning I received a very lengthy letter from a businessman who was engaged in the tourist industry. He has a rather large summer resort and wants to relocate the summer resort because of changing circumstances that have developed in the last 25 or 30 years. As the act stood, he was not able to get a loan from the bank manager. As a result of this amendment I trust that his application for a loan will be placed in much better circumstances.

With those few remarks, Mr. Speaker, I take my seat. Once again may I say that I trust the minister watches the operation of this act and asks for criticisms of the bill, and for suggestions even from those engaged in this type of business and industry.

There is one other feature I had forgotten to mention. I think more information should be given to the public as to this act. I know the banks have a little folder and things of that sort. Something should be done to publicize the act and to bring its advantage to the attention of persons who would not be served under normal credit procedures.

Mr. A. D. Hales (Wellington South): I should like to add just a few words to what has already been said, Mr. Speaker. First of all, I should like to compliment our Minister of Finance (Mr. Fleming) on bringing in the amendment to this bill. The hon. member for Kenora-Rainy River (Mr. Benidickson) mentioned how little the loan has been used. However, I should like to remind him that there are in Canada approximately 3,000 small business operations which have been able to make use of this bill and which would never have been able to make use of it under a Liberal government. They did not have such an act. They would not lend money to the small businessman because they were not interested in the small businessman.

An hon. Member: They did not care about him.

Mr. Hales: I should also like to compliment the hon. member for Kootenay West (Mr. Herridge). I think he was preaching for a call to join our ranks when he was speaking about free enterprise. May I say that we should be happy to have him come over and join us on that basis.

An hon. Member: All good Tories.

Mr. Hales: This amendment will make loans available to many merchants and small businessmen who have found themselves in a position where they wanted to enlarge their operations but who, owing to zoning restrictions, were unable to do so, or where there are difficulties in connection with parking problems and they find it necessary to move their operations to some other locality where they will be free of those parking problems. This amendment will be very helpful to such operators. I feel as did my friend the hon. member for Kootenay West, that as this bill is used—and I am sure it will be used extensively; after all it has only been in operation for a few months—recommendations will be received by the minister. I think one recommendation would be that the classification of gross sales of $250,000 per year should be enlarged so that it would take in larger businesses. I would hope that the minister will study these recommendations and amend the bill when necessary. I have encountered a few cases where there seemed to be a little too much red tape to go through in order to get a loan, but all in all the legislation has been of great assistance to the small operators in Canada, the small businessmen in whom this party has been interested, and I am very happy to see this amendment being made in the act at this time.

(Translation):

Mr. Guy Rouleau (Dollard): Mr. Speaker, it took the Minister of Finance (Mr. Fleming) a year to realize that the members of the opposition were right, in November 1960, when the bill on loans to small businesses was submitted and when we claimed that such legislation would not give enough assistance to small businessmen.

The amendment to the Small Businesses Loans Act submitted tonight was suggested during the debate on the bill in November 1960, but as usual, the minister ignored that suggestion like all the others that are made by opposition members.

When that piece of legislation was introduced, it was heartily welcomed by all members of this house. But as for us, on this side, we asked for a broadening of the act. We also made some suggestions with a view to giving further assistance to small businessmen.

The minister in his majesty ignored all the suggestions made. He uttered high-sounding sentences, as he is wont to, wishing to give the impression that he could save the small enterprise from disaster.

He predicted, as recorded in *Hansard* of November 21, 1960, that the owners of small enterprises would rush to the banks to borrow. Indeed, he forecast that, during the winter months following the adoption of the act loans would amount to $75 million. That amount would not only help small business enterprises, but check unemployment.

The minister was so enthusiastic about what he believed was his masterpiece that he had even fixed at $300 million the total amount of loans that the banks would grant and which would be guaranteed by the government.

Now, Mr. Speaker, what has been the actual result of that legislation? On November 30, 1961, after the act had been in force for a year, out of a potential of some 400,000 small enterprises, as defined by the act, only 2,737 loans had been granted by the banks, for a total amount of $23 million.

In view of the needs of small business and the insignificant number of loans granted, as well as the ridiculous amount of those loans as compared to the minister's forecast there is ground for some questioning. The minister would be well advised to think seriously and say to himself that he would have been wise to show some humility, for once, and admit that he should have followed certain suggestions made to him by members of the opposition when he introduced his bill on November 21, 1960.

If the results have been disappointing, both for the government and for the small business enterprises, it is because the act was neither satisfactory nor adequate.

First of all, the act does nothing more than guarantee bank loans to the extent of 10 per cent. Therefore, of the $23 million granted in loans as of November 30, 1961, under the act, the government actually guaranteed only an amount of $2.3 million to the banks.

Under the circumstances, the banks, which are not charitable institutions by nature, continued as before to follow practically the same policy towards the small businessmen who applied for loans.

Besides, is it not the powerful Associate Minister of National Defence (Mr. Sevigny) who stated, not before architects this time, but in this house on November 22, 1960, as reported on page 1 of the appendix of *Hansard* of that date:

> It must be realized that in some cases, banks have been forced, quite against their will, to turn down applications from people who were seeking funds to expand their businesses.

Well, according to the number and amount of bank loans made under the act, banks have kept on turning down applications in a proportion of 90 per cent since, under the act, loans are guaranteed only on the basis of 10 per cent.

Mr. Speaker, the bill under consideration is a slight improvement. It has taken the minister over a year to introduce it. At that rate, small businessmen will have the time to disappear from the economic scene before we have legislation broad enough to be truly useful to them.

All hon. members will agree that small enterprises are of vital importance to our economy. Under such circumstances, it is the duty of the government to look after the problems of the wholesaler, the small manufacturer, the contractor, the provider of services, the retailer and so on.

The very existence and the survival of the small business enterprise in Canada is a vital element in our free society. Without the small business enterprise, we would have less free enterprise and more state control.

It is generally recognized that, in the past few years, the small business enterprise has found it increasingly difficult to stay alive.

The main difficulties of the small businessman, of the small merchant, of the small manufacturer, have been the lack of capital, the difficulty encountered in obtaining credit at a reasonable rate, the lack of research facilities and unfair competition, such as restrictions imposed by big business.

It is of the utmost necessity that the government take the required steps to abolish these obstacles which stand in the way of the small enterprise, and that it take them immediately. Otherwise, people will say the same thing Mr. Andre Laurendeau said about

another measure announced in the house, a few days ago, by the Minister of Finance: "Too little and too late."

Of course, all groups in this house were pleased with the introduction of the bill on small business loans, all hon. members supported that measure and voted for it. But it must be recalled that the members of the opposition claimed that to be really effective and to achieve its aims, the act should be extended.

This amendment to the act which is before us meets a suggestion made by the opposition on the introduction of the bill. Its purpose is to permit a business improvement loan for the construction or purchase of alternative premises where the premises in which the enterprise was or is being carried on are no longer available or will cease to be available for that purpose.

It is a welcome improvement, but it is not enough.

Whatever the Associate Minister of National Defence may think, bankers will continue to turn down requests from small business owners, as they have been doing, since they only have a 10 per cent guarantee.

And the minister, with child-like hope, is just as satisfied with the poor results obtained as with the collapsing of his nice forecast.

Instead of introducing that amendment only, the minister should have also amended the law in order to enable small businessmen to obtain working capital. Instead of leaving the owners with only one alternative, that of borrowing and running into debt, which may be necessary when one is in business, the government should adopt the same graduated scale of income tax for small businesses as for individuals. Thus, the small businessman would be relieved of a burden which would leave him more money available for his business.

The legislation should also place areas where unemployment is prevalent in a special category. In those communities, special attention should be given to the businessmen who want to start a small business. Easier credit should be made available to them. This would provide a way of relieving unemployment in the smaller communities and to check its growth in the cities, for the unemployed would not be tempted to leave the smaller communities for the big cities.

Mr. Speaker, these are a few comments I wanted to submit on this question which is so important for our economy: assistance to small businesses.

For the time being, I support the amendment which is brought forward, but I regret that the government does not go further. The country will need a Liberal government so that the small enterprise may be treated in all fairness.

Mr. Pigeon: Twenty two years of inaction. *(Text):*

Mr. G. H. Aiken (Parry Sound-Muskoka): It has been an amazing experience to sit here and listen to the comments which have been made about this measure by members of the official opposition. For many years they sat back and offered no assistance to the small business people, and now we have introduced a new type of loan under a new act.

Mr. Rouleau: The country was prosperous then.

Mr. Aiken: Then, tonight we hear them say that the government is not doing enough. We have heard this argument for quite a few days, and I do not want to go into it fully. However, good measures have been introduced by this government, including the Small Businesses Loans Act and the inclusion of members of the merchant navy, the forestry units and so forth in the war veterans charter. These are things that the Liberal government refused to do for years and years. Now, when this government introduces these measures, members of the opposition can only stand up and say, you are not doing enough; you are not doing the right thing; you should do more; you are not going about it in the right way. I feel that is not constructive criticism. I would say that the argument, too little and too late, is nothing more than sour grapes. This measure has been successful and if opposition members want to make the necessary inquiries they will find that is the case.

There was some difficulty in the administration of this measure at first, Mr. Speaker, and no one will deny it. The bankers in the local branches did not understand how they were to go about making these loans. Naturally, they were diffident about embarking on a new procedure and a new set of forms. They would have preferred to make loans in the normal way. Likewise, a lot of the small businessmen did not understand exactly the purpose of this act. This was understandable. The purpose of the measure was to improve premises in order to make small businesses competitive with larger businesses. It was also aimed at promoting an increase in building.

It is fair to say that the figures which the minister has produced are for only half a year. I do not believe this act was properly operative until late in 1961. It was not until the middle of the year that the kinks were

ironed out and both borrowers and banks understood what they could do in the way of loans. There was some disappointment, it is true. People who were in financial difficulty and who were looking for a loan to bail them out were disappointed. However, when the purpose of this measure was explained, that it was to improve premises in order to make the small businessman competitive with larger businesses, then the act began to work. It is working well.

As the hon. member for Wellington South (Mr. Hales) said, about 3,000 small business men in this country have applied for loans to improve their premises. They have derived a great deal of benefit from this act. They are people who otherwise would not have been able to obtain loans. Naturally, I would not want to take my seat without mentioning the tourist operators because they are the people in whom I have had the most interest. The tourist operators were in the same position as many of the small businessmen. They just could not obtain loans. In fact, they were in a worse position because the tourist business was classified as seasonal and hazardous.

As I understand it, about 268 tourist operators have made application for these loans and have improved their premises. They are hoping for a better year next year. If they are not successful in improving their business, it cannot be said the fault lies in a lack of credit facilities. I do believe that most of the tourist operators who have applied for loans have been satisfied and have tried to bring their business up to standard. There was the same difficulty in connection with tourist operators as was experienced in connection with other businessmen. They did not understand the purpose of the act. I saw some editorials to the effect that the act was not operating properly. However, within the last two or three months I have heard a number of people engaged in the tourist business speaking from public platforms who have said that this act is working, now that the operators understand what they can get out of it. They are very glad this measure was introduced.

There is just one other point I should like to make, Mr. Speaker. The hon. member for Kenora-Rainy River (Mr. Benidickson) mentioned the fact that many manufacturers did not qualify under this act. I feel it is fair to say that the major manufacturers are supposed to make their applications to the industrial development bank. The loans made available by this measure are for small businessmen. I think nearly 3,000 small businessmen in this country now know that the act is satisfactory, so I believe that 1962 will be much better and that many more people will make application to improve their premises.

Mr. W. H. McMillan (Welland): Mr. Speaker, the amendment introduced in this bill gives comparatively limited help to a few businesses. However, I believe it should be supported. I think I can say that in my part of the country this measure will not meet the needs of many small businessmen. The government will have to do something in order to save some of these businessmen. The government talks about helping small businesses. They have talked a lot for years about helping small business, and we have heard some of that talk tonight. I should like to ask the government why business failures have been so high in our country since 1957.

I heard the last speaker mention the fact that our argument was, too little and too late. I say that the government's help to the small businessman is to little and too late. The number of business failures amongst small businessmen in 1960 was 2,828. For the first nine months of 1961, the latest available figures, failures numbered over 2,000. Each month that this government has been in power business failures have increased over the corresponding months of the previous year.

Mr. Benidickson: As many failures as loans under this act.

Mr. McMillan: From the *Financial Post* of September 1, 1961, we read that business failures in the second quarter of 1961 with liabilities leaped up by $27.7 million—

Mr. Aiken: On a point of order.

The Acting Speaker (Mr. Chown): Is the hon. member rising on a point of order?

Mr. Aiken: Yes, Mr. Speaker. During the debate which started this evening there was certainly some movement away from the narrow purposes of the act into a general discussion on the Small Businesses Loans Act. I do not think that if we depart slightly from the narrow purposes of the act that should not be permitted, but I do feel that a discussion on business failures, and so forth, in connection with the amendment that is before the house is going quite a piece away from the purposes and general intent of the Small Businesses Loans Act.

Mr. Pickersgill: I should like to say on the point of order raised by the hon. member for Parry Sound-Muskoka (Mr. Aiken), who himself extended the debate from the scope of the bill and spent most of his time criticizing the opposition and the previous administration, that if the hon. gentleman is to be permitted to go back into the history before

1957, then my hon. friend who is now talking about the actual conditions that this bill is supposed to be trying to remedy, is very much more in order. I know, sir, with your judicial approach you will give the same latitude to both sides.

Mr. Fulton: Stop the buttering up, Jack.

The Acting Speaker (Mr. Chown): The hon. member for Welland.

Mr. McMillan: I do not know whether the hon. gentleman opposite raised a point of order or not. I could not catch his words about the tourist industry, but I do know that my references to the number of business failures in Canada are more pertinent to the discussion on this bill than a discussion of the tourist industry. I was saying that in the second quarter of 1961 the number of business failures racked up liabilities of $27.7 million. That was 11 per cent over the same months in the same quarter of 1960. They reached an all time high in Canada. This government has set many bad records and this is another one to add to them. The actual business failures were 30 per cent more in that quarter of 1961 than in the corresponding quarter of 1960, namely, 545 failures as against 419 a year earlier.

The climb in business failures in 1961 did not taper off at the end of the second quarter. For instance, preliminary figures for the month of July—and those are all the figures we could get at this time—show that there were 160 casualties in Canada, with liabilities of $10.7 million against 127 casualties in 1960 with liabilities of $4.7 million. In 1961 the second quarter figures showed a numerical increase in most industrial groups.

The retail industry, for instance, was the hardest hit. The retailers in that industry, comprising furniture stores and house furnishing outlets, suffered the greatest loss. There were 269 retailers who went broke in the second quarter of 1961, 68 more than in the same quarter a year earlier. In the commercial service group in that same quarter, seven hotels failed in Canada with liabilities of nearly $700,000, as against two the previous year with liabilities of $171,000. Some 75 Canadian manufacturing firms failed, 59 more than in the same quarter a year earlier, and this was most noticeable in the textile, food and forest products industries.

According to the *Financial Post* the main reasons for these high figures were first, a general slow down in business, second, the high cost of borrowing, and third, the scarcity of mortgage money. Of course we know that a lot of this has been caused by the fiscal and monetary policy of the government. No amount that this government gives the small businessman can compensate him for the loss that the government's fiscal and monetary policy has caused him. It has increased his taxation at the three levels of government.

Mr. Grafftey: How do you figure that out?

Mr. Benidickson: High interest rates.

Mr. McMillan: Unless there is a change in policy we shall have more failures, although it is pretty hard to see how the government can get more failures. There have been so many already that there are not so many left to fail. The increase in failures is typical of—

Mr. Benidickson: Tory governments.

Mr. McMillan: Yes, of Tory governments in this country. This is the type of growth they can show, an increase in the growth of failures in Canada. The small businessman is not like the Minister of Finance. When the small businessman gets into trouble and can get no more credit, he then goes broke. However, the Minister of Finance, when he can get no money from the Canadian people, prints more money and compounds the troubles of the Canadian people.

Mr. Aiken: You are using up your budget speech.

Mr. McMillan: I have said before, and I think it is true, that there is one thing which causes an upset in business in Canada, and that is the prospect of an election.

Mr. Benidickson: It should settle everything.

Mr. McMillan: I have often heard it said that business is not good during an election period. I heard a retailer not long ago say he was not going to buy in new stock until the election was out of the way. That, I think, keeps the country in suspense. It is causing distress to the country, in the same way that the Prime Minister did, when according to press reports he was threatening to fire the Minister of Finance, and he withheld the denial.

The Acting Speaker (Mr. Chown): I find the hon. gentleman is now straying from the subject—

Mr. Fleming (Eglinton): Now?

The Acting Speaker (Mr. Chown): —under consideration so extensively that I have to call him to order on relevancy, and I would ask him to come back to the subject under discussion.

Mr. Grafftey: Let him table the speech.

Mr. McMillan: I shall say, Mr. Speaker, there has been a lot of interference here tonight, and a lot of interference with small businesses by this government as well.

The small business people in this country have suffered a lot in the last four years irrespective of how much hon. members opposite may laugh. I know small business people who are having great difficulty in surviving at the present time. If hon. members will read the *Globe and Mail* of today they will see that small businessmen in the west are having a harder time than the farmers in the west. That is true, also, of businessmen in eastern Canada.

I know a number of small businessmen who need loans at a much lower rate of interest than the Minister of Finance (Mr. Fleming) can afford to offer them. The amendment to this act helps only comparatively few businessmen. I feel the minister should increase the loans made to small business. I know small businessmen who cannot get money at any rate of interest. If the minister could increase the loans made it might tide them over the period of time until they have a more favourable government here in Ottawa which will help them.

Mr. Walter Pitman (Peterborough): I am sure the house will recall that a year ago last November we came into this parliament expecting legislation which would deal with the serious and alarming problem of unemployment.

One of the great bulwarks of this government's program at that time was this particular measure giving intermediate credit to small businessmen. It was heralded with tremendous fanfares and we were expected to believe that the bill was going to solve a great many of the problems facing this country. If hon. members will look back to the debate which took place at that time they will remember that the enthusiasm generated on the right of the Speaker's chair was something wonderful to behold. In fact, it is interesting to recall that the opposition was trying to get the bill through; we were fighting hard to get some legislation on the books to help deal with the unemployment situation in Canada. But speaker after speaker stood up to congratulate the government on this particular bill extending credit to small businessmen.

Mr. Pickersgill: The Tory filibuster.

An hon. Member: Two-flag Jack.

Mr. Pitman: It certainly was an interesting debate. Those of us who sit on the left of the Speaker's chair thought that when we got back to our constituencies the bankers would be busily handing out money to the small businessmen who were so desperately in need of credit at the end of December, 1960. I am not sure what experience other hon. members have of that Christmas recess, but certainly in my constituency the telephone kept ringing. The line was busy with such inquiries as: when are we going to be able to get this credit? When will the bankers have the regulations? Even the bankers were telephoning to inquire when this scheme was going to get rolling. The number of inquiries received from one banker, at least, was greater before the regulations came out than it was after the regulations had been published. For this reason I think the suggestion of the hon. member for Parry Sound-Muskoka (Mr. Aiken) that the legislation had only been on the statute books for a few months and that this was the reason why only $27 million had been lent, was not an acceptable one. Hon. members may recall that, speaking in the debate on the address the Leader of the Opposition remarked that only two thirds of the egg was good. I might paraphrase that remark and say that only one tenth of this particular piece of legislation is any good.

I think we have to face it. This legislation is not really doing the job which it was expected would be done when the measure was brought in. Here again, in February of 1962, with over 500,000 people unemployed, we are looking—

Mr. Martin (Essex East): Five hundred and forty three thousand.

Mr. Pitman: The hon. member for Essex East corrects me. The figure is 543,000. Once again we were looking to this legislation in the hope that it would be amended in such a way as to provide a significant amount of credit and capital to small businessmen so that there might be some real effect on the unemployment situation which we face in this country. What do we find? All we find is a very small, virtually insignificant change, despite what the minister has said, making it possible for people to borrow money to relocate their premises. Surely, that is not good enough. I think the criticism "too little and too late" could never be applied to any legislation more acceptably than to this legislation which is before us.

That, of course, is in the tradition of this government. We were told during the election campaign that this government's heart bled for the small businessman. A special branch was set up in the Department of Trade and Commerce to look after small businessmen, and the whole of $30,000 was allotted to that branch. What has happened to that branch since? Has there been any expansion? Has there been any significant amount of help given to small businessmen? Have they been expanding during the period of Conservative rule since 1957? I can scarcely believe that this is so. The hon. member for Welland (Mr. McMillan) has read enough dreary

figures to this house to suggest exactly what has happened with regard to this legislation. It is an extremely tragic situation, I am afraid.

An hon. Member: Vote against the bill, then.

Mr. Pitman: May I call it ten o'clock?

BUSINESS OF THE HOUSE

Mr. Pickersgill: Before you leave the chair, Mr. Speaker, I might perhaps ask the leader of the house if he would indicate the business for tomorrow. Possibly, for the benefit of his friends and any other members who may want to leave during the week end, he could also give us an indication of what the house will be doing on Monday.

Mr. Benidickson: They might want to leave for a long time.

Mr. Churchill: Some of the hon. members opposite will be leaving for a very long time very soon.

Mr. Pickersgill: The minister is whistling in a graveyard.

An hon. Member: A Conservative graveyard.

Mr. Fleming (Eglinton): Some of the corpses are over there.

Mr. Hees: It is like looking at tombstones on the other side.

Mr. Churchill: Tomorrow we shall take third reading of the bill pertaining to the children of the war dead. The second term will be the railway bill, reported back from the committee, dealing with the proposed railway line at Whitecourt, Alberta. That will be followed by the bill dealing with the proposed railway line at Chisel lake, Manitoba. Then we would deal with the amendment to the Export Credits Insurance Act, followed by the resolution concerning the universal copyright convention in the name of the Secretary of State; Bill No. C-67 dealing with the proposed railway in the Gaspe peninsula and, if the house has time for it, Bill No. C-38, dealing with financial and other statistics.

Mr. Pickersgill: We are not going to continue with the bill we have been on tonight, then?

Mr. Fleming (Eglinton): No; you talked it out tonight.

Mr. Pickersgill: I just wanted to know. I could not care less.

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

26207-1—59

HOUSE OF COMMONS

Friday, February 16, 1962

The house met at 11 a.m.

TRADE

TEXTILES—STATEMENT ON WORLD AGREEMENT FOR REGULATION

Hon. Donald M. Fleming (Minister of Finance): On Wednesday, Mr. Speaker, the Leader of the Opposition asked me a question concerning the long term textiles arrangement. I said then that I would make an announcement on this subject on Friday.

The house will recall that an international short term arrangement on trade in cotton textiles was negotiated in Geneva last July. Canada signed the arrangement on September 5, and it came into force on October 1 for the period of one year. The short term cotton textiles arrangement was aimed at expanding export opportunities for the less developed countries which produce cotton textiles in substantial quantities, while at the same time preventing disruption in the domestic markets of importing countries.

Negotiations have been going on intermittently in Geneva since last October for the purpose of drafting a long term international arrangement on cotton textiles which would replace the short term arrangement when the latter expires on October 1, 1962. These negotiations have been carried out in the cotton textiles committee which was established for this purpose by the contracting parties to the GATT. Nineteen countries, including Canada, are represented on the cotton textiles committee and, taken together, these countries account for the bulk of world trade in cotton textiles.

At the last meeting of the cotton textiles committee which was concluded in Geneva on February 9, agreement was reached on the text of a five year long term cotton textiles arrangement. This text was made public today. It will now be submitted to the governments of the participating countries and, if approved, will become effective on October 1, 1962, the date on which the short term arrangement will lapse.

Like the short term arrangement, the long term cotton textiles arrangement is aimed at the orderly growth of international trade in cotton textiles. To this end it provides that countries now maintaining restrictions on the importation of cotton textiles shall progressively relax these restrictions over the life of the arrangement. On the other hand, countries such as Canada which do not impose restrictions can, under the terms of this arrangement, request an exporting country to apply restraints on exports to their markets of cotton textile products when imports of such products cause or threaten to cause disruption in the domestic markets of the importing countries. These provisions are, of course, broadly similar to parallel provisions in the short term arrangement.

Because of its five year life, however, the long term arrangement departs in one important respect from the short term arrangement. It provides that if restraints are requested along the lines I have just explained and if such restraints are maintained for more than one year, the level of imports shall be increased automatically in each of the following years.

The cotton textiles committee recognized, however, that certain countries which are already importing a large proportion of their requirements of cotton textiles are in a special position, and cannot be expected to commit themselves to automatic increases of imports of sensitive cotton textile items without regard to the situation in their markets. As far as Canada is concerned, we have made it clear on many occasions that we accept the principle of orderly growth in imports of low cost textiles. This does not, however, mean automatic increases in every item every year whatever the state of the domestic economy or of our own industry.

Whether or not the long term cotton textiles arrangement is accepted by the principal countries concerned, we shall continue to pursue a policy which, while avoiding flooding and disruption of our market for sensitive cotton textile products, will permit an orderly expansion of trade on fair and reasonable terms. This is the principle of orderly growth in trade in cotton textiles to which we subscribe and which the long term arrangement on cotton textiles seeks to apply internationally. If all countries will play their proper part the aim of the arrangement, which is to increase export opportunities of cotton textile producing countries while at the same time avoiding disruption in the markets of importing countries, will have been achieved.

Textiles Arrangement

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, there is no doubt that the agreement which the minister has explained to the house may be a very important one in respect of a very important commodity. But, as the minister has pointed out, Mr. Speaker, this agreement has merely been reached at Geneva for reference to the governments concerned, and it will not in any event come into effect until the beginning of October of this year if it is subscribed to by those governments.

Already, Mr. Speaker, there have been indications from one vitally important signatory to the agreement—I refer to Japan—that the agreement as it stands at present may not be too satisfactory to that government. I have noticed in the press that the Japanese delegate to the conference, representing the Japanese cotton textile industry, has already indicated that his government may take exception to that part of the agreement providing for the unilateral imposition of export quotas. I believe those are the words he used in his comment on the agreement. In addition, if the United States department of agriculture goes ahead with the proposal to add 8½ cents a pound by way of duty on cotton textiles, that would not make the agreement even less popular in Japan. So there are some hurdles before this agreement becomes effective.

There is one other point that perhaps I should mention. Maybe the minister will be able to clear it up. It is not clear from anything I have read or from anything the minister has said whether the communist government of China took part in the negotiations and is covered by the proposed agreement. The minister shakes his head in the negative. If that is the case there is a gap in the agreement itself, a gap which may be of particular importance because of the necessity of the communist government of China to pay for imports of wheat, for instance, by exports from that country, and we have heard a lot about the fact that textiles may be included in those exports.

The important thing, Mr. Speaker, surely is to have an agreement which with regard to this commodity, cotton textiles, will protect the legitimate interests of our own manufacturers while at the same time taking into account the fact that the leading exporter in this field, Japan, is now one of our most important customers for vital Canadian commodities. If this agreement will reconcile these two considerations, then it may be of great importance and advantage to this country.

Mr. H. W. Herridge (Kootenay West): The members of this group thank the minister for his statement on this very difficult and complicated problem, especially since we are trying to increase our overseas trade without affecting our own Canadian industry or preventing its maintenance, improvement and development. One thing about this approach that I like is the sort of self imposed quotas by the countries concerned at the request of countries that might be affected. Regardless of the difficulties of the problem and the short run arrangement we have to make, the members of this group are of the opinion that our final objective must be at all times freer world trade.

[Mr. Fleming (Eglinton).]

(Translation):

DEFENCE PRODUCTION

ITALY—ANNOUNCEMENT OF SALE OF FLIGHT SIMULATORS

On the orders of the day:

Hon. Raymond O'Hurley (Minister of Defence Production): Mr. Speaker, I should like to announce that the republic of Italy will purchase flight simulators of the F-104G Lockheed Starfighter aircraft in Canada. Confirmation has been received from Italy by Canadian Commercial Corporation, together with commitment of funds necessary for the immediate commencement of work.

The value of the Italian order is estimated at approximately $2 million. The simulators will be built by Canadian Aviation Electronics Ltd., Montreal, under contract with the Canadian Commercial Corporation. Technical and administrative supervision of the program will be the responsibility of R.C.A.F. and Department of Defence Production officers who are exercising the same functions in respect of the Canadian, German, Netherlands and Belgium simulator programs which were placed with Canadian Aviation Electronics in the summer of 1960.

(Text):

NATIONAL DEFENCE

INQUIRY AS TO MEETING OF JOINT U.S.-CANADA COMMITTEE

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, in the absence of the Minister of National Defence perhaps I should ask the Secretary of State for External Affairs if there are any plans to reconvene the Canada-United States ministerial committee on defence, which last met a year and a half ago.

Hon. Howard C. Green (Secretary of State for External Affairs): There are no plans at the moment.

PETAWAWA—HOSPITAL ACCOMMODATION FOR ARMY DEPENDANTS

On the orders of the day:

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, yesterday the hon. member for Renfrew North asked whether the government has rejected a proposal to assist in providing hospital accommodation in the two Pembroke hospitals.

I have been informed that the Department of National Defence has not received any proposal to provide hospital accommodation in the two Pembroke hospitals for dependants of army personnel stationed at Camp Petawawa. If the hon. member was referring to requests for assistance for construction with regard to the Pembroke Cottage hospital, it will be recalled that this matter was raised during the discussion on the estimates of the department last September and was fully dealt with at that time.

UNITED NATIONS

CUBA—VOTE ON SOVIET BLOC RESOLUTION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to direct a question to the Secretary of State for External Affairs. In view of the brief and cryptic report in today's newspapers as to what occurred in the senior political committee of the United Nations general assembly during the vote on the Soviet bloc resolution relating to Cuba, and in view of the importance and interest in this question, will the minister provide the house with further information concerning the proceedings and Canada's position?

Hon. Howard C. Green (Secretary of State for External Affairs): Mr. Speaker, during the first committee's debate on the item regarding the Cuban complaint against the United States about alleged aggressive plans and interference in the internal affairs of Cuba, a draft resolution was put forward by the Czechoslovakian and Rumanian delegations. The resolution prejudged the issue and was an attempt to make mischief in an already complicated situation.

For these reasons the resolution had little support in the assembly. The only paragraph which found any favour was a preambular restatement of charter aims, worded in general terms. In separate votes the remaining preambular and the two operative paragraphs were rejected and no vote was taken on the resolution as a whole, as neither operative paragraph carried. Canada joined with the overwhelming majority of members in opposing the resolution. There was no point in supporting any part of this communist move which, however innocuous it appeared, was designed to make United States-Cuban relations worse.

(Translation):

ADMINISTRATION OF JUSTICE

QUEBEC—REPORTED GRANTS FOR REHABILITATION OF PRISONERS

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I should like to direct a question to the Minister of Justice.

In view of the fact that the Department of Justice is going to build a large rehabilitation centre in the riding of Brome-Missisquoi and since I consider this matter as highly important, I should like to obtain some information from the minister.

A certain Paul Derome, president of an organization known as the "Fédération des Fonds Maisonneuve" which is to look after the rehabilitation of former inmates, has hinted that once his centre is opened in Rosemont, it will receive $15 per week for each person entrusted to its care by the penal authorities. Here is my question. Are we to understand that the penitentiary branch of the federal government will subsidize this organization?

Hon. E. D. Fulton (Minister of Justice): No, Mr. Speaker. Grants to this organization were never contemplated.

Mr. Grafftey: Mr. Speaker, I should like to ask another question. Is it true, as suggested by Mr. Derome, that the "Fédération des Fonds Maisonneuve" is an institution for the rehabilitation of former inmates which is recognized by the Department of Justice as well as by the penitentiary commission and the remission service?

Mr. Fulton: No, Mr. Speaker, this organization is recognized neither by my department nor by the penitentiary commission nor by the remission service.

Mr. Chevrier: Then, it is not true.

BRIDGES

MONTREAL—INQUIRY AS TO DISCUSSIONS WITH CIVIC REPRESENTATIVES

On the orders of the day:

Mr. H. Pit Lessard (St. Henry): Mr. Speaker, I should like to address a question to the Minister of Transport.

Following his talks in Ottawa yesterday with Mr. Jean Drapeau, mayor of Montreal, and Mr. Lucien Saulnier, would the minister care to comment about the tolls on Jacques Cartier, Victoria and Champlain bridges?

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, I did have a talk yesterday with the mayor of Montreal and the chairman of the executive committee, Mr. Saulnier. During that talk we discussed, in an entirely preliminary way, the removing of the tolls on Jacques Cartier and Victoria bridges.

Mr. Lessard: Mr. Speaker, I should like to ask a supplementary question.

Could the minister tell us whether, in the course of that talk, reference was made to the approaches to Champlain bridge?

Mr. Balcer: Mr. Speaker, we have discussed in a general way several problems concerning the relationships between my department and the authorities of the city of Montreal and we have dealt also, in a general way, with the question raised by my hon. friend.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, may I ask a supplementary question? Could the minister tell us whether he has heard from the Quebec government?

Mr. Balcer: Yes, Mr. Speaker.

Mr. Gerard Loiselle (St. Ann): Mr. Speaker, I should like to direct a supplementary question to the Minister of Transport.

Could the minister tell the house whether, in the course of that same talk, reference was made to previous discussions about the development of parks and grounds along the St. Lawrence river, in the city of Montreal?

Mr. Balcer: Not this time, Mr. Speaker.

(Text):

TRADE

CUBA—REPORTED STATEMENT ON INCREASE IN EXPORTS TO CANADA

On the orders of the day:

Mr. Lucien Cardin (Richelieu-Vercheres): I should like to direct a question to the Minister of Trade and Commerce. My question is based on a statement made by the Cuban ambassador to Canada, as reported in the press recently. Is it the intention of the government to encourage an increase in Canadian purchases from Cuba in order to reduce Cuba's trade deficit with our country?

Hon. George H. Hees (Minister of Trade and Commerce): Would the hon. member mind repeating his question? I am afraid I did not catch the point.

Mr. Cardin: I asked the minister whether, in view of a statement made recently by the Cuban ambassador, it is the intention of the government to encourage an increase in Canadian purchases from Cuba in order to reduce Cuba's trade deficit with our country.

Mr. Hees: I think the hon. member is referring to an article which appeared in the Montreal *Gazette* yesterday, which I saw, entitled "Canada to buy more from Cuba soon, Castro envoy declares". My attention was drawn to the article in the Montreal *Gazette* and I do not know where the Cuban ambassador obtained his figures, which were vastly exaggerated. Hon. members will recall that the Prime Minister made a statement on February 2 on Canadian-Cuban trade and at that time indicated that for the first nine months of 1961 Canada's exports to Cuba were $21.5 million and imports from Cuba were $4.6 million.

WHEAT—NEGOTIATIONS WITH COMMUNIST CHINA FOR FURTHER SALE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): A number of questions were asked of me yesterday. As reported at page 880 of *Hansard* the hon. member for Essex East asked:

> Is it a fact that the government or its agencies are now negotiating with communist China for the sale of further grain by Canada to China?

Discussions took place between representatives of the Canadian wheat board and the China Resources Company recently during a visit of the commissioners of the Canadian wheat board to Hong Kong, but no negotiations are under way at this time.

SHIPPING

WHEAT—DESTINATION OF "TANK EMPRESS" CARGO

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): A question was asked yesterday by the hon. member for Maisonneuve-Rosemont in which he asked whether I would make inquiries to ascertain whether the ship *Tank Empress* then loading grain at Halifax

under the Chinese wheat deal was in fact not destined for a Chinese port but was sailing on February 15 for a communist bloc country.

I have been advised that there is no information presently available as to the final port of destination of this vessel. I might add, however, that diversions are permissible to certain countries which are not regular commercial markets for Canadian grain.

POWER

MEETING WITH PREMIERS RESPECTING NATIONAL GRID

On the orders of the day:

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, the hon. member for Kootenay West made an inquiry regarding correspondence I had with the various provinces suggesting that in a spirit of co-operation there might be a meeting of federal and provincial representatives to give consideration to the problems that would arise in the setting up of a national grid.

I may say that letters went to all provincial premiers, and eight of them have agreed that such a step would be appropriate and in keeping with the attitude taken by this government. While power development within a province is a matter of provincial jurisdiction, interpower developments between provinces are of interest and concern to the federal government. Under the circumstances I hope that the provinces of Quebec and Newfoundland will see fit to join in such a meeting with the other eight provinces and agree just to discuss the matter. I am sure that no possible harm would result. We intend to proceed in that way, giving the provinces, their officials and experts the means whereby they together with us may discuss this matter which we believe is of great potential value to the future development of this country.

Hon. Lionel Chevrier (Laurier): Mr. Speaker, will the Prime Minister table the correspondence he has had with the provincial premiers in this matter?

Mr. Diefenbaker: There has been a motion to that effect, and as soon as we are in a position to do so all the correspondence will be tabled.

PUBLIC SERVICE

AGRICULTURE—REPORTED ATTITUDE OF INFORMATION OFFICIALS

On the orders of the day:

Hon. Lionel Chevrier (Laurier): Mr. Speaker, arising out of the questions the Prime Minister answered earlier, I wonder whether he would give consideration to the question I asked him on two occasions in connection with the report on information by the Department of Agriculture. The last reply given by the Prime Minister was that he had not been aware it had been published or submitted, on July 31 and he would look into the matter and perhaps make a statement to the house. I wonder whether he is in a position to do so now.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, as the hon. gentleman has stated, on two occasions he asked a question in regard to a report submitted to the Minister of Agriculture by Harry M. Halliwell. I indicated to the hon. member on both occasions that I had not had an opportunity of examining the report.

Having now looked it over, I do not think there is anything further I can say other than that the report is readily available to all, and I would again suggest to the hon. member, if he has any further questions on this matter, that he ask them upon the return of the Minister of Agriculture, which I hope will not long be delayed, when he may receive more detailed information.

(Translation):

Mr. Chevrier: Two or three days ago, I directed a question to the Secretary of State on the same subject. I asked him to tell us why certain documents were not published in French in the province of Quebec. Did he have the opportunity to inquire of the officials of the Department of Agriculture about the reason for such a situation? If so, has he a statement to make to the house?

Hon. Noel Dorion (Secretary of State): I made inquiries following the question put by the hon. member for Laurier, but I have not yet received any information. However, I should like to point out that this matter does not come under the Secretary of State and that the Queen's printer acts according to instructions. At any rate, early next week I hope to be in a position to give a definite answer.

(Text):

MANITOBA

NEW SITE FOR TOWN OF CHURCHILL

On the orders of the day:

Hon. J. W. Pickersgill (Bonavista-Twillingate): Mr. Speaker, I should like to ask the Minister of Transport whether he has received the further information he said he would obtain concerning the possible new site for the town of Churchill.

Inquiries of the Ministry

Hon. Leon Balcer (Minister of Transport): Mr. Speaker, the only information I can give at the present time is that this question should be directed to another minister. I believe the question of the site for the town of Churchill would come under the jurisdiction of my colleague the Minister of Public Works.

Mr. Pickersgill: I observe that the Minister of Public Works is not present. If his parliamentary secretary is in the chamber perhaps note could be taken of my question and the minister could answer at a later time.

BUSINESS OF THE HOUSE

UNEMPLOYMENT INSURANCE ACT—INQUIRY AS TO REVISION THIS SESSION

On the orders of the day:

Hon. Paul Martin (Essex East): Mr. Speaker, I wish to direct a question to the Minister of Labour. In view of the fact that we were told four years ago there would be amendments to the Unemployment Insurance Act; in view of the fact the government caused His Excellency to state in the speech from the throne a year and a half ago that the government proposed at that time to amend the Unemployment Insurance Act, and in view of the perilous state of the fund, may I ask the Minister of Labour if we may expect amendments to the Unemployment Insurance Act before the dissolution of the present parliament?

Hon. Michael Starr (Minister of Labour): Mr. Speaker, I do not recall that there was any mention in the speech from the throne of actual amendments.

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

Mr. Robichaud: Short memory.

Mr. Starr: However, Mr. Speaker, for the information of the hon. gentleman may I state that a royal commission is presently reviewing the entire act, and we are awaiting its recommendations.

Mr. Martin (Essex East): I was aware, Mr. Speaker, of the government's diversionary tactic in appointing a royal commission. May I ask the minister if he could tell us if the royal commission will report to the government before the dissolution of parliament, in order to enable the government to bring forward legislation based on that report or on the views which the government itself may or may not possess?

Mr. Starr: The length of time required by the commission to make its report is a matter entirely within the hands of the commission.

Mr. Martin (Essex East): It will not report?

[Mr. Pickersgill.]

Mr. Churchill: Why does the hon. gentleman constantly mention dissolution?

CHILDREN OF WAR DEAD ACT

AMENDMENTS PROVIDING FOR EXTENSION OF BENEFITS

Hon. Gordon Churchill (Minister of Veterans Affairs) moved the third reading of Bill No. C-65, to amend the Children of War Dead (Education Assistance) Act.

Motion agreed to and bill read the third time and passed.

CANADIAN NATIONAL RAILWAYS

AUTHORIZATION FOR CONSTRUCTION OF LINE FROM WHITECOURT, ALBERTA

Hon. Leon Balcer (Minister of Transport) moved that the house go into committee to consider Bill No. C-63, respecting the construction of a line of railway in the province of Alberta by Canadian National Railway Company from Whitecourt, Alberta, in a westerly direction for a distance of approximately 23.2 miles to the property of Pan American Petroleum Corporation.

Motion agreed to and the house went into committee, Mr. Martineau in the chair.

On clause 1—*Construction and completion.*

Mr. Chevrier: Mr. Chairman, I wonder whether the minister would be good enough to report on the meeting of the committee on railways, canals and telegraph lines in so far as consideration of this bill is concerned. Unfortunately I was not present at the committee meeting—not that that makes any difference—and I think the committee would wish to know what was the position taken by the officers of the C.N.R. and in general what the minister has to report since the measure was before us on an earlier occasion.

Mr. Balcer: Mr. Chairman, I can assure my friend the hon. member for Laurier that his absence from the committee certainly did make a difference.

Mr. Chevrier: It went through faster?

Mr. Balcer: The bill was studied by the standing committee on railways, canals and telegraph lines yesterday. Present were four witnesses: Mr. George Scott, of my department; Mr. Fortier, legal adviser of the department; Mr. Purves, in charge of developments for the C.N.R., and Mr. MacDougall, senior counsel of the C.N.R. The bill was studied clause by clause and hon. members of the committee had the opportunity to ask questions. The witnesses gave an excellent résumé of what was involved in this bill, and members of the committee had the opportunity to question the witnesses at length.

Personally I feel that all the required information was supplied by the witnesses, and I do not intend to add anything to what I said at the resolution stage and at second reading. I wish only to repeat that it is a very good bill. Under its terms the C.N.R. will work with private enterprise to develop the natural resources in that section of Alberta. Under a special agreement that has been signed there is a guaranteed minimum tonnage of substantial proportions. The witnesses had the opportunity to state at what rate this ore and other goods will move over this branch line.

This is an excellent project. All the expenses of the C.N.R. will be met through the rates and the contribution made by the company. I feel the bill should commend itself to the committee.

Mr. Chevrier: Mr. Chairman, may I ask a further question? Did any of the witnesses indicate the amount of the contribution that is going to be made by the company to the C.N.R. in consideration of the construction of the line?

Mr. Balcer: No, Mr. Chairman. This is a point of information that could not be given to the committee. Both the witnesses and myself explained to the committee why it is necessary to avoid publicizing certain information. We do not wish to jeopardize future similar contracts between the C.N.R. and private companies, nor do we wish to put the private company in an inferior position in competing with similar sulphur companies.

Mr. Chevrier: The minister will recall that when the resolution was under consideration I gave a figure as the amount I had understood was being paid by the company, namely $1,800,000. Is the minister able to say whether or not that figure is accurate?

Mr. Balcer: Unfortunately not, Mr. Chairman.

Clause agreed to.

Clauses 2 to 9 inclusive agreed to.

Title agreed to.

Bill reported, read the third time and passed.

CANADIAN NATIONAL RAILWAYS

MANITOBA—PROVISION FOR CONSTRUCTION AND PURCHASE OF BRANCH LINES

Hon. Leon Balcer (Minister of Transport): moved that the house go into committee to consider Bill No. C-48, to amend an act respecting the construction of a line of railway by Canadian National Railway Company from Optic lake to Chisel lake and the purchase by Canadian National Railway Company from the International Nickel Company of Canada, Limited, of a line of railway from Sipiwesk to a point on Burntwood river near Mystery lake, all in the province of Manitoba.

Motion agreed to and the house went into committee, Mr. Martineau in the chair.

On clause 1.

Mr. Chevrier: I think the committee would expect the minister to make a short statement relative to what took place in the standing committee with reference to the bill.

Mr. Balcer: Yesterday, while we were studying a previous bill, the standing committee on railways, canals and telegraph lines studied this bill clause by clause and the witnesses were questioned at length on matters of interest to the committee such as the mileage and the cost. The witnesses for the railway also had an opportunity to give a brief statement on the operation of the old branch line. They also explained to the committee that this new addition to the previous branch line would serve two mines of the same company, one at Chisel lake and the other at Osborne lake. They also explained that the ore from Osborne lake is going to be moved by truck to Chisel lake and that from Chisel lake it will be shipped, together with the ore from Chisel lake, direct to Flin Flon where the smelter is located.

This bill did not require a resolution owing to the fact that there is no new requirement in respect of money. So far the amount spent on the Optic lake branch line is below the departmental estimate, with the result that there is enough money left to cover the expense of building these eight miles of branch line.

I think this is another example of these branch lines in which the C.N.R. by contract is compensated for all expenses it has incurred for the purpose of giving service to the particular venture. This is another example of the great development works that are going on in the province of Manitoba, and I have no hesitation in recommending this bill for adoption by the committee.

The Chairman: I recognize the hon. member for Laurier.

Mr. Chevrier: I observe that the hon. member for Churchill wishes to rise, Mr. Chairman, and I will yield to him.

Mr. Simpson: As I mentioned previously when this particular bill was being discussed by the house, I am extremely pleased to note that we are taking such speedy action on this measure. It is very important that this development go on at this time. The mining company concerned have worked out a

schedule in relation to their shaft sinking programs. It is therefore extremely important that parliament co-operate in order to have these measures put through so that the construction of the line can be carried out as quickly as possible.

During the discussion in the committee a few interesting features came to light, and I think a brief history of the situation would be timely. I am sure all hon. members will be pleased to know that the cost of these eight additional miles of line will come well within the original estimate made when the first 52 miles of the line were built. This extension is going to make a total of 60 miles of branch line. The original estimate leaves available enough money to provide for the additional eight miles.

One other thing which came to light during the discussion and which is of particular interest is the fact that when these additional eight miles of line are constructed from Chisel lake to Stall lake at a point where the Hudson Bay Mining and Smelting Company are currently sinking their second shaft in that area, the railhead will still be a distance of approximately 12 miles from a third shaft that is being sunk, namely the one at Osborne lake.

Questions were asked as to the plans for transporting ore from Osborne lake to the end of steel at Stall lake. We were advised in the committee that it was the thinking of the company concerned that the ore from the new Osborne lake shaft would be transported to the railhead by road, a distance of 12 miles. Someone asked why the railway was being extended only eight miles to Stall lake while the transportation of the ore over the additional 12 miles was going to be done by road. I believe the witnesses who appeared before the committee gave a good answer when they said that the 12 miles of road had to be built anyway because it is necessary for the transportation of the miners, who will be working at the Osborne lake shaft, from their homes in the community of Snow Lake. Therefore it seemed more desirable when the company was making its plans to build a 12 mile road from Stall lake to Osborne lake and to transport the ore over that distance by trucks.

Incidentally, the 12 mile road from Stall lake to Osborne lake was constructed under a northern development program with the province contributing one third of the cost, the federal government one third and the industry concerned, Hudson Bay Mining and Smelting Company, one third.

There is an interesting story involving the area now being opened up so quickly as a result of the road building and the additional branch line of the C.N.R. Near the three shafts that have been mentioned, Chisel lake, Stall lake and Osborne lake, is the town of Snow Lake, Manitoba. There is a very interesting story involved which ties in closely with the northern development that is rapidly taking place at this time. For a number of years the citizens of Snow Lake were engaged in gold mining operations at the Snow Lake gold mine, a subsidiary of the Howe Sound Company or Britannia. The operation at Snow Lake lasted for eight or nine years. Some four years ago a notice was issued that the gold reserves at the Snow Lake mine had become depleted and the mine would be closing. The seven or eight hundred people living in the town were faced with the fact that their means of livelihood was being ended.

However, about this time Hudson Bay Mining and Smelting Company, which had been doing a lot of exploration and development work in the area, discovered copper and zinc ore bodies. As a result the 52 mile railway line which came into being by reason of the act which we are now amending was constructed. Instead of the town of Snow Lake becoming a ghost town, business picked up as a result of this new development. New housing construction has been undertaken in each of the last three or four years and Snow Lake, which was on the verge of becoming a ghost town, now has a particularly bright future for many years to come. This has all happened because of the ingenuity and interest of the mining concern now operating in that area, which was very ably assisted, of course, by the northern development program of this government.

I am very pleased to see that the bill has now reached the committee stage. I hope the bill will be passed as quickly as possible so the legislation will come into effect and work may proceed on the eight mile extension to the Optic lake-Chisel lake railway line.

Mr. Chevrier: Mr. Chairman, I am sure hon. members have listened with interest to the remarks made by the hon. member for Churchill, who has a particular interest in this project because of the fact that the line is located in his riding. It does happen from time to time that the house gives favourable consideration to lines and projects of this kind which are of interest to an individual member. I am happy to support this project, one aspect of which, as I indicated earlier, that involving the line from Sherridon to Lynn Lake, was undertaken when the former government was in power. It was a development which the house felt should be furthered and to which the house gave its support.

The first extension to that line was approved by the former government but introduced by the present government and by the predecessor of the present Minister of Transport. Now this amendment has been brought before us. These are some of the reasons why, as I indicated at a previous stage, we on this side of the house cannot do other than support the legislaton and give it our approval, as we did then and as we do now.

One or two questions come to my mind as I look at the bill. I would ask the minister why it is not in the same form as Bill No. C-63, having to do with the construction of a line by Canadian National Railways from Whitecourt, Alberta, westerly 23.2 miles. I know the minister will answer that we are now considering an amendment to a bill introduced in 1957, I believe, but there is the added point that all that is being amended here is the schedule of the act. The schedule only is being amended, because the C.N.R. was able to construct the line authorized under the original bill at a cost much less than estimated, and with savings in the cost of construction of the original line it is now possible to build this additional 8.2 miles, I believe, for the amount estimated in the first place, $8,840,000.

This question arises. Why was it necessary to come to parliament at all? I can understand that when projects of this nature are involved it is always better to bring them before parliament, which is the place where the country can find out about lines that are being constructed in one region or another, but that question comes to my mind now. I quite understand why there would not be the necessity for a resolution because of the fact that no additional funds are required. However, under the Canadan National Railways Act is there not provision for the authorization of an addition such as this without the amendment to the schedule? Perhaps the minister would address himself to that question.

Mr. Balcer: As the minister responsible for the passage of this bill, Mr. Chairman, I must say that I was very pleased to hear the speech made by the hon. member for Churchill, which outlined the tremendous developments occurring in his riding and the good effect the present bill will have in securing jobs for a number of miners and other people connected with the two mining projects.

Now, Mr. Chairman, the hon. member for Laurier was wondering why we were proceeding by way of a bill in this case. First of all, it is another, perhaps minor, proof of the tremendous care this government always takes to keep the representatives of the people of Canada informed. We have a tremendous respect for the importance of parliament, and for that reason everything we do is brought here and discussed at length. We want to give all the information possible, as long as it is in keeping with the traditions, regulations and rules. In this case the reason we brought in this amendment was precisely because we were amending a previous bill that had been passed by this parliament. I do not think it would have been proper to construct this extension without correcting a previous statute, because the purpose of this bill is the prolongation of a line which was authorized by this parliament.

We want to keep all hon. members well aware of what we are doing in that area and what the government railroad is doing in that area. We are very pleased to bring this measure before the committee. I really believe everyone in this house will agree it is a good bill. There are no procedural complications and the committee knows quite well what is involved, because my distinguished predecessor was responsible for the introduction of the previous bill connected with this matter.

Mr. Martin (Essex East): Who was your predecessor?

Mr. Balcer: The hon. member for Broadview. My predecessor did a very good job while he was in office, and that bill was an example of the tremendous job he did.

Mr. Chevrier: I had asked the minister a legal question and he saw fit to inject a political note into his answer by speaking about the great care that is being taken by the present government. I would remind him that the government is not too cautious about some of the things it does, particularly with reference to the wheat agreement with China. We have now been asking on a number of occasions for the details and terms of that agreement—

Some hon. Members: Order.

Mr. Chevrier: —but the minister has not seen fit—

The Chairman: Order. I am sorry to interrupt the hon. member, but I think his remarks should be restricted to the clause under consideration.

Mr. Chevrier: In speaking on the point of order I should like to draw to your attention the fact that Your Honour did not see fit to bring the Minister of Transport to order a moment ago when he was discussing a matter which was not within the orbit of this bill. On the contrary, I put to the minister a strictly constitutional and legal question, and he proceeded to deal with it politically. Your Honour saw fit to allow him to reply in

that vein but now, because I bring into the discussion an extraneous matter, Your Honour interrupts my question and my manner of proceeding.

Mr. Balcer: On this same point of order—

Mr. Chevrier: If you will allow me to finish.

Mr. Balcer: I thought you were about to take your seat.

Mr. Chevrier: Not until you take your seat.

The Chairman: The hon. member for Laurier had not finished his observations.

Mr. Chevrier: I was going on with reference to the point of order which was raised, namely that it was improper for me to raise an extraneous matter. I admit at once that the China wheat deal and the manner in which the government has treated that deal is extraneous to the bill under discussion, as is the fact that the government has refused to give any details on that matter. I admit at once that I was out of order and that the matter is extraneous. However, the point I was raising was that the minister, instead of replying to a purely technical question, proceeded to inject a political note—

Mr. Balcer: On the point of order, Mr. Chairman—

Mr. Chevrier: Just a moment.

Mr. Balcer: Are you speaking to the point of order or are you carrying on with your speech?

Mr. Chevrier: I still have the floor.

The Chairman: I would ask the hon. member for Laurier to complete his point of order as succinctly as possible.

Mr. Chevrier: That is what I have been attempting to do, but I have been interrupted twice by the Minister of Transport who apparently feels himself hurt by the statement I have made.

Mr. Balcer: No.

Mr. Chevrier: Well, the minister will be given an opportunity to reply in a moment. The only point I am making is that if I am out of order in my attempt to indicate the lack of information the government has given about the China wheat deal, then the minister should not be allowed to state politically what the government is doing with reference to this particular bill.

Mr. Balcer: In answer to the point of order that has been raised by the hon. member for Laurier, I would say I made it a point in my remarks to say precisely that this government is very anxious to give all the information that it is possible for the government to give, according to the various laws and regulations of this country and the rules and traditions of this house. We have always endeavoured to do that and will continue to do so. We are very pleased to be able to give this information, and we will keep on giving it.

Mr. Chevrier: What about the agreement?

Mr. Balcer: I think the political issue that has been raised has been raised by the hon. member for Laurier. He should be the last person to stand up and say someone is raising politics, because he is bringing the China wheat deal into this little railway line in Manitoba, and I do not see the point.

The Chairman: I think the point of order has been sufficiently discussed. As I understand it, the minister made a reference to the concern of the government, and I do not think it was unrelated to the subject. I would ask the hon. member for Laurier, who has the floor, to continue, but to continue discussing this particular clause and not refer further to the China wheat agreement, which he has admitted is an extraneous matter.

Mr. Chevrier: I will do my best to follow your ruling, Mr. Chairman. In so doing I want to bring to the attention of the minister one or two things he has just said in dealing with the point of order. He has said that this government is anxious to give all the information, within the regulations, within the rules and within the law, to which parliament is entitled. Well then, I ask you, why don't you produce the agreement in connection with this line? You have been asked repeatedly to do that, but you have refused to do so. You produced the agreement in connection with the Pine Point railway, and if you produced the agreement in connection with that railway then I think we should be entitled to the agreement in this case.

The Chairman: The hon. member for Halifax is raising a point of order.

Mr. McCleave: I am only pointing out that the hon. member for Laurier is simply flying in the teeth of the ruling made by the Chair.

Mr. Benidickson: He is talking about the agreement relating to this railroad.

The Chairman: I believe the hon. member is relating his remarks to the subject.

Mr. Chevrier: It is perfectly apparent that the hon. member for Halifax has not been following the discussion. If he had been he would not have raised the point of order which he did. The point I am making now

is that if there is an agreement between the company and the C.N.R., then I think this house is entitled to find out what is in that agreement. I asked the minister, since he produced the agreement having to do with the Pine Point railway, why would he produce the agreement in one case and not produce it in the other.

The answer that has been given is not satisfactory. It is not one that answers the point which the minister himself made, namely that this government is anxious to give all the information and to abide by the rules and regulations in connection with matters of this kind. That being the case, I now invite the minister to give all the terms of the agreement which was entered into between the C.N.R. and the company; second, to tell us the amount of money that is being paid—the amount of the contribution, if any, that is being paid by the company; and third, what is the freight rate under which this product is going to be moved. I think the house is entitled to have that information.

Mr. Balcer: To answer the previous question asked by my hon. friend as to why we should bring in this bill, according to the Canadian National Railways Act the C.N.R. can build a branch line of less than six miles without coming before parliament. In this case it is a matter of eight miles, and that is one of the reasons we have the present bill.

To answer the renewed argument by my hon. friend, in which he was blaming us for not tabling the agreement, we all know why we are not doing that. It is because the tabling of the agreement might be damaging to the government railway and also might be unfair to the private company in the face of competition from its competitors. On that point I should like to quote a sentence uttered on Tuesday, March 28, 1950, at a meeting of the sessional committee on railways and shipping. I think it will clarify the tradition that has been followed for quite a long time on matters of branch line construction. One hon. member said:

> Well, Mr. Chairman, as far back as I can remember it has always been the policy of this committee to give as much information as possible, but when an officer of the Canadian National Railways makes the suggestion or gives it as his opinion that it might not be desirable to give out certain information, it has been my understanding always that such information was not made public; that in the past the committee has always followed the advice of the officers of the railway.

These very historic sentences were pronounced by none other than the hon. member for Laurier himself, so we are simply carrying out this tradition. In this case I am informed by the officials of the C.N.R. that it is not desirable to give out this information, and that is the reason I am not giving it. We are following a tradition, maybe one which was not established by the hon. member for Laurier but a tradition that has been continuously defended by him, and I think he should be the last one to come here and try to say the government is hiding information because we do not want to produce an agreement between the C.N.R. and a private company. I do not think his argument stands. He knows this very well, because he was minister of transport and had to defend branch line bills in this house and before committees. I am sure he does not think his argument is serious.

Mr. Hamilton (Notre Dame de Grace): He never told us anything.

Mr. Chevrier: Mr. Chairman, the minister has simply tried to displace the question, and I do not intend to allow him to do that. The minister wants to know how it is that I state the government is trying to hide information whereas I took a position that was entirely different in former years. That is not the point. The point I raised was brought about by the statement made by the minister, and that statement was that "we do not want to hide anything from the house".

Mr. Balcer: That is right.

Mr. Chevrier: And also that "we want to abide by the rules and regulations". The minister made that statement and I immediately asked him why he would not produce the agreement, as he had produced the agreement last year in connection with the Pine Point railway. That is why I say he displaces the question when he says the member for Laurier took a different attitude—

Mr. Hamilton (Notre Dame de Grace): He certainly did.

Mr. Chevrier: The point we are dealing with now is the great care which he says he is taking about divulging all the information. If he is taking such care why not give the house the information in so far as the agreement is concerned, in the same way he did on a previous occasion? Instead of dealing with that the minister replies "Oh, well, you did exactly as we did," or "You are the one who created the precedent in the first place." That is not replying to the question. That is simply displacing the question and I say to the minister, if he is so anxious to give all the information then let him give it and, if he does not want to give it, why not say he is not willing to do so?

Mr. Balcer: I am very pleased to do so. The reason we produced the agreement in the case of the Pine Point railway was simply because the C.N.R. agreed it would not be

damaging to them if we produced the agreement. It is as simple as that. In this case the C.N.R. tell us that it is not desirable to produce it. That is what we are doing, and in doing that we are following a tradition that was practically established by my hon. friend from Laurier.

I wish to repeat that this government does not want to hide any information and will not hide any information. It will always follow the laws of the country and the regulations, traditions and rules of the House of Commons. We are very pleased to give all the information that it is possible and legal for us to give.

Mr. Chevrier: Then give us the information on the wheat deal.

The Chairman: Shall clause 1 carry?

Mr. Benidickson: In connection with the Alberta branch line the Minister of Transport, in previous stages of debate, gave us a considerable amount of useful information such as the immediate tonnages of sulphur that were anticipated, sulphur being perhaps the main item of freight expected, in fact almost the only item of freight expected on the branch line. He indicated that the tonnage for the first five year period would be considerably less than that expected after markets had been developed and the mine was operating at its full capacity.

That kind of information has not been provided in connection with the Manitoba branch line. I wonder if the minister could give us some information as to what tonnage is expected after its construction, and perhaps a projection forward into increased tonnage, if that is likely to be the experience as the mine develops to its full capacity.

The hon. member for Laurier was asking about freight rates. We did get information yesterday with respect to the Alberta branch on the freight rate that was part and parcel of the agreement with the company. I think we should also have that information, if possible, with respect to the freight rate on the Manitoba branch line.

In addition to that, yesterday I intended to ask the minister a question in committee on this bill, but the bill went through rather rapidly and I did not put my question. In the opening remarks of the minister, as I recall it, he said that the basic 52 miles had recently been completed. I was going to ask the minister, and I ask him now, how recently was the road completed and what has been the experience in relation to the volume of freight, if it has been carrying freight already?

Mr. Balcer: Mr. Chairman, I am very pleased to give this information to my hon. friend. When these mines are in production after the final eight miles of branch line are built, about 182,000 tons of copper and zinc crude ore will be shipped every year. This mining will be carried out at these two sites. At Stall lake it will provide work for about 100 men, and at Osborne lake work for about 85 men.

My hon. friend has asked about freight rates. Unfortunately I do not have that information here. It is unfortunate that he did not ask this question yesterday when the two experts from the railway were present. As the committee knows, these rates are filed with the board of transport commissioners; they are public, and we have no reluctance in tabling them. I have not the exact figure with me but I will be very pleased to send the information to my hon. friend.

Mr. Chevrier: Mr. Chairman, when the minister was dealing with a first question I put to him, to which I did not then receive an answer but which was answered afterward, he said that Canadian National Railways can build a line less than six miles in length without the authority of parliament; they do not have to come to parliament for authority. That is really the information I was seeking from the minister. If I had obtained that answer in the first instance I do not think there would have been the altercation that took place. I did remember that there is a limit, but I did not remember that it was six miles. I was under the impression that it was more than eight miles, and that is what prompted me to put the question in the first place.

I should like to deal with the matter of the freight rate. I think the committee should obtain some indication of what is going to be the freight rate in this case. The minister has said he cannot tell us what it is but that he will produce it in due course. However, once this bill has gone through there will be no opportunity for the committee to obtain that information. Meanwhile perhaps the minister can indicate how the freight rate is made up, because I take it that the freight rate is compiled after consideration first of the commodity that is going to be moved, second of the mileage and third the competition, if any, that exists in the area. The hon. member for Kenora-Rainy River now brings to my attention the matter of capital cost, and I think that also enters into the composition of the freight rate.

I am wondering whether the minister will give the committee some information as to how Canadian National Railways proceed to fix the rate. I hope he will be able to obtain this information from his officers before this bill goes through committee of the whole.

Mr. Balcer: Mr. Chairman, it is very unfortunate that the hon. member for Laurier was not present yesterday at the meeting of the standing committee on railways, canals and telegraph lines, because it is precisely the purpose of that committee to put before its members all the technical information that is available within the company in all its details. I am sure nobody in the committee expects me to know all these various freight rates and so forth.

I quite agree with my hon. friend from Laurier that it is an important factor in a project such as this. Unfortunately I have not these rates at the present time, but I will be very pleased to obtain them from the officers of the railways or from the board of transport commissioners. If it had been possible for the hon. member to attend the standing committee meeting I am sure the two witnesses would have supplied this information to the hon. member, and from my point of view there would have been no objection whatsoever.

Mr. Chevrier: Is there any objection to giving the committee the actual freight rate?

Mr. Balcer: No, but I have not that information before me.

Mr. Chevrier: Can the minister get the rate from his officers, who I understand are now here? That being the case, I think the committee is entitled to this information. The next question is this. The minister did not give the committee a breakdown of how Candadian National Railways proceed to establish the freight rate in a situation such as this. I think we should know how they do proceed, because even though a member of parliament is not at the standing committee meeting, or is not a member of the committee, surely he is entitled, under the rule established by the minister that the government wants to give all the information it has at its disposal, to inquire what the terms are under which the freight rate is established.

In this case, if there is no objection from the railway, there should be even less difficulty in giving this information to the committee, and I wonder whether we can obtain it now.

Mr. Balcer: Mr. Chairman, I do not wish to repeat what I said earlier. As far as the question of how the C.N.R. has arrived at the rate, we must not forget that part of the agreement with the private company deals with certain penalties and certain minimum guarantees given by the company. These matters enter into the tabulation and making up of the freight rate that is arrived at. I cannot give this part of the agreement to the committee except with the consent of the railway. However as far as the freight rate is concerned, I simply repeat that I will send this information to my hon. friend immediately this committee has finished.

Mr. Benidickson: Mr. Chairman, the minister has indicated that he does not wish to give certain details of the agreement, but would he see fit to tell us what period of time the agreement contemplates will be required, where there are obligations on the part of the company which in due time are expected to compensate for the capital costs as well as the transporting of the ore over that period?

Mr. Balcer: The arrangement contemplates that this minimum agreed guarantee and also the penalties in case of shortages are for a period of ten years.

Mr. Chevrier: Mr. Chairman, a moment ago the minister said the freight rate had to be filed with the board of transport commissioners. Does it in fact have to be filed with the board if it is a rate that has been established by agreement? I know that when the C.N.R. submits a tariff on which goods move, that has to be filed with the board. The question that now comes to my mind is this. Is this akin to an agreed charge? If it is not, it is a charge under an agreement. Has the agreement been submitted to the board? I assume that the agreement must of necessity be submitted to the board if it was made pursuant to the method outlined to the committee a moment ago by the minister.

The information I wish to obtain is this. How will the public know, if at all, about the nature of the freight rate that will be charged for this commodity?

Mr. Balcer: Mr. Chairman, I did not say that these freight rates had to be filed. What I said was that my information is that these freight rates have been filed.

Mr. Chevrier: If they have been filed, then why can we not find out what they are? The board of transport commissioners has them and they are public. Anybody can go over to the board and see them.

Mr. Balcer: Even the hon. member for Laurier could do so.

Mr. Chevrier: Yes, even I could do so; but why should I have to when we are dealing with this important matter in parliament at this very moment? Why should not parliament have this information?

Mr. Horner (Acadia): Why were you not present at the committee meeting yesterday?

Mr. Chevrier: My hon. friend should be quiet, Mr. Chairman, because he came to

parliament as a suppliant in connection with his own line in Alberta and we co-operated to the fullest extent. As far as the hon. gentleman is concerned I think it would be better if he were to remain silent and allow me to put these questions to the minister.

Mr. Smallwood: Mr. Chairman, I rise on a point of order. I think this is a serious situation. The hon. member for Laurier, a distinguished parliamentarian and a member of the legal profession, after four years is still unable to distinguish between the hon. member for Jasper-Edson and his brother, the hon. member for Acadia.

Mr. Pickersgill: They are identical twins.

Mr. Martin (Essex East): That is not a point of order. It is a point of confusion.

Mr. Chevrier: The minister just stated that this rate has been filed with the board of transport commissioners which is a public body, a court of record. Anybody can go to the board and obtain this information. Why cannot parliament be given information concerning freight rates, which information is in possession of the board?

Mr. Balcer: Parliament can have this information when the freight rate is filed with the board.

Mr. Chevrier: The minister has already said it was filed with the board.

Mr. Balcer: May I point out to the hon. member that this information was available yesterday in the standing committee. The experts were present at the meeting and all hon. members of the committee were allowed to ask these questions. The experts would have been extremely pleased to answer these inquiries.

I should be pleased to give this information to the committee if I had it before me, but it is physically impossible for me to give it because I do not have it before me. It would have been very easy for the hon. gentleman or his colleagues to obtain this information yesterday when the bill was before the standing committee. A standing committee is established precisely for the purpose of giving such information. I think hon. members of the opposition should avail themselves of the opportunity of attending the meetings of standing committees with a view to obtaining the information they require.

When I suggested that this bill be considered in the committee of the whole the hon. member for Laurier was the first to jump to his feet and suggest that this would be a crime, a terrible practice, and that the bill should be referred to the standing committee. We acceded to his wishes. The bill was referred to the committee, the experts appeared before the committee with all the necessary information, but the hon. gentleman was not present and his colleagues failed to ask these questions.

The hon. gentleman comes forward today and accuses us of refusing to give information. The hon. member's position lacks logic. My hon. friend knows very well we like nothing better than to provide pertinent information. The only thing we ask is that hon. gentlemen opposite request the information they require at the appropriate time and place. If they do so they will receive excellent service and co-operation from the government.

Mr. Chevrier: The position taken by the minister, Mr. Chairman, is untenable. The minister cannot come to the committee and take the position he has just taken. Whether or not this bill has been before a standing committee, and whether one or 25 witnesses have been called, the committee of the whole is entitled to have this information. It is not a valid reply on the part of the minister to say that the standing committee met and certain hon. members did not ask questions.

In one breath the minister admits that this information is public and can be obtained at the board of transport commissioners, but he refuses to give the information to the committee either because he does not have it or his officers will not give it to him. The point I now make is that whether or not this legislation has gone to a standing committee we are now considering it in committee of the whole, and it is the duty and responsibility of the minister, as a suppliant before the committee, to give it the information it requires.

Hon. members of the opposition are interested in knowing the amount of the freight rate and the method by which it was established. I asked for the production of the agreement. The minister said the C.N.R. advised him not to produce it and I will accept that, but I wish to know if the agreement was filed with the board of transport commissioners. Will the minister answer that question?

Mr. Balcer: I do not think so, Mr. Chairman, because this agreement does not have to be filed with the board. It is a private agreement between the railway and a private company.

Mr. Chevrier: If the agreement does not have to be filed with the board the minister should explain to the committee how the freight rate of X dollars on this commodity, moving from one point to another, moving on

to Vancouver and other points, has been established. The committee is entitled to know that and the minister has not given us that information.

I return to the point I made earlier. There are many hon. members of this house who are not members of the standing committee. If we were to accept the position taken by the minister no one who is not a member of the standing committee could ask questions, because the minister would simply rise and say "Oh well, you should have been present at the meeting of the standing committee and asked for the information there." That is silly. That is not in accordance with the tradition of parliament and the procedure under which we operate. I feel the minister should obtain the freight rate from his officers and give this information to the committee. He should then tell us how the freight rate has been established in this case.

Mr. Balcer: Unfortunately the hon. member for Laurier did not attend the meeting of the committee, where it would have been so easy for him to obtain the information he requests. I am quite agreeable to the idea of adjourning the debate and securing the information the hon. member requests, which could probably be given to him at 2.30. I shall be pleased to do so if that is the wish of the hon. member.

On the other hand I should like to correct the impression my hon. friend is attempting to create, that we are refusing to give information. We are not refusing to give information, and I consider it unfortunate that the hon. member could not be present yesterday.

Mr. Chevrier: Why does the minister not make one frank admission, that he does not know what the freight rate is.

Mr. Balcer: I have already said that. I stated that I do not have the information before me. I said it was physically impossible for me to give the information because I do not have it in front of me. I do not know offhand what the freight rate is. I am the first to admit I do not know what it is. If I had the information before me I think it unlikely that I would have bothered answering the 15 repetitious questions the hon. gentleman has put.

Mr. Chevrier: There were only two.

Mr. Balcer: It would have been much simpler to divulge the figures, but I do not have them as I have already told the hon. gentleman.

Mr. Pickersgill: Mr. Chairman, the minister has made a frank admission for which we respect him, but it does raise a point that has arisen repeatedly, not just with respect to this bill but with respect to many others. It arose last night in another context with another minister.

Mr. Churchill: Let the hon. member confine himself to this bill.

Mr. Pickersgill: In the days when the former government was in office ministers were accustomed, at the committee stage of bills, to have their officials in front of them and to have the information relating to the bills so that parliament could be served. It has now become the custom of ministers to sit there alone, without any administrative officials and without any information, as the minister has admitted he is now doing—

Mr. Churchill: Order.

Mr. Pickersgill: —and to delay the proceedings of parliament because they are not in a position to deal with these matters. When a minister comes here asking us to pass a bill it is his duty to have the information available for those of us who are the masters. The government is the servant and we in this parliament are the masters, and we are entitled to the information. This kind of conduct is tantamount to a contempt of the committee of the whole, which is a committee of the house.

If this had been an isolated case I would not have made these observations at all. However, this has become a custom with the present government. The ministers come here knowing nothing about the legislation, or practically nothing about it; they are unable to answer questions and are without the officials to give them the information. I exempt the house leader; he had his officials on the floor. What I am saying is that far too often this thing is happening, and with a government with that great leader who was going to restore the rights of parliament. May I say that it is an odd way to be treating parliament.

Mr. Churchill: Mr. Chairman, this matter cannot pass without some comment. These generalizations that have been made by the hon. member for Bonavista-Twillingate are unfounded.

Mr. Chevrier: They are not generalizations; they are facts.

Mr. Churchill: They are generalizations that are unfounded. The government has not refused to give information. It has not become accustomed to appear here without the information that is required.

Mr. Chevrier: It has happened in this case.

Mr. Churchill: In this particular instance the hon. member for Laurier is just delaying matters in the House of Commons and holding up a branch line in the province of Manitoba—

Some hon. Members: Order.

Mr. Churchill: —by asking for information which he has been offered by the minister and which can be given to him easily at a later time. He is making an excuse for his failure to appear at the committee meeting the other day.

The Chairman: Order. I understand that the minister has requested or moved that I rise and report progress.

Mr. Chevrier: I rise on a point of order, Mr. Chairman. I am not going to allow the house leader to get away with the statement he made a moment ago. The house leader cannot come into the House of Commons and make the statement that the hon. member for Laurier is delaying a bill affecting the province of Manitoba for such and such a reason. That procedure is against the rules of the house. The hon. member is reflecting on the motives of another hon. member.

The house leader knows full well that when this matter was brought before the house he obtained from the opposition the assurance that not only this bill but all other railway bills would be expedited and that the opposition would co-operate to the fullest extent. That co-operation was given not only here on the resolution stage and on the second reading stage but in the standing committee, where I am told that in less than an hour these two bills were passed. How then can the house leader rise in his place and say that there has been delay? But then when we come to the committee of the whole, I say that whether or not a member was at the meeting of the standing committee, or whether members of parliament who are not members of the committee were there, they are entitled to get certain information which we did not receive this morning.

I am not going to cast any reflection on anybody, whether it be the minister or anybody else. However, as was said by the hon. member for Bonavista-Twillingate, I say that the minister should be here with his officers. His officers can be obtained at a moment's notice and should at least be in a position to give the house the amount of the freight rate. How can that procedure be delaying the proceedings of the house? If the freight rate had been given in the first instance there would not have been the slightest delay.

I say to the house leader that he has no right to make the statement he made. I am not going to ask him to withdraw his words; I am quite content to leave them as they are. However, I say to him that he has no right to impute motives to me or any other member of parliament and say that we are delaying the passage of the bill, when the fact is that we have done everything in our power to assist in the implementation of it.

Mr. Churchill: Mr. Chairman—

The Chairman: Order. I believe the hon. member has now made his position clear in this matter. As the Minister of Transport has indicated that he intended to move that the committee rise and report progress, I do now—

Mr. Martin (Essex East): I rise on a point of order.

The Chairman: I have a question that I should like to ask the Minister of Transport. I wish to ask him whether I was correct in my understanding that he wishes to move that the committee rise and report progress at this time.

Some hon. Members: Closure.

Mr. Martin (Essex East): Before you put that question, Mr. Chairman, may I say that suggestion has been made by no one else in the chamber. The only one who has made that suggestion is Your Honour.

Some hon. Members: No.

Mr. Martin (Essex East): If I may say so, it is an improper suggestion to come from the Chair.

An hon. Member: It is closure.

Mr. Balcer: I made the suggestion.

An hon. Member: Closure.

Mr. Chevrier: The minister did not make a motion.

The Chairman: Order, please. I heard the Minister of Transport make the suggestion and I am therefore asking him now whether he wishes to make a motion for that purpose at this time.

Mr. Habel: Closure.

Mr. Balcer: I move that the committee rise and report progress.

The Chairman: Shall I rise, report progress and ask leave to sit again later this day?

Some hon. Members: No.

An hon. Member: Closure.

Motion agreed to: Yeas, 30; nays, 12.

During the taking of the vote:

An hon. Member: Closure.

Mr. Martin (Essex East): It is closure without notice.

After the taking of the vote:

Mr. McGee: I rise on a question of privilege, or a point of order.

The Chairman: The committee is rising.

Mr. Chevrier: Too late.

Progress reported.

Mr. McGee: Mr. Speaker, may I rise on this question of privilege or point of order?

Mr. Speaker: Yes.

Mr. McGee: I have reference to the allegation made by the hon. member for Essex East during the discussions in committee a few moments ago.

Mr. Chevrier: I rise on a point of order, Mr. Speaker, in connection with the question of privilege which the hon. member wishes to raise. There is no question of privilege to be raised by an hon. member at this stage in connection with what another hon. member has said concerning the proceedings of this house, particularly in committee. That is what the hon. member is now trying to do and, with respect, I say it is entirely out of order, Mr. Speaker.

Mr. McGee: May I explain the position further?

Some hon. Members: Order.

Mr. McGee: I can speak to the point of order raised by the hon. member for Laurier. I certainly would have expected that on reflection the hon. member for Essex East would have been delighted at the opportunity to withdraw the unfounded allegation that he made a few minutes ago.

Some hon. Members: Order.

Mr. Martin (Essex East): I said "closure without notice".

Mr. Speaker: Order. The hon. member for York-Scarborough stated that he was rising on a question of privilege, but he has said enough to indicate that it seems to be a point of order and that it should have been taken at the stage at which it arose. The committee is master of its own proceedings and deals with such problems when they arise. In my view, and I think I am correct, it is too late now to raise a matter which could have been dealt with in the committee.

EXPORT CREDITS INSURANCE ACT

AMENDMENT RESPECTING MAXIMUM LIABILITY OF IMPORTERS

Hon. George H. Hees (Minister of Trade and Commerce) moved the second reading of Bill No. C-68, to amend the Export Credits Insurance Act.

He said: Mr. Speaker, I have no further statement to make. I made quite a long statement at the resolution stage yesterday and there has been quite a full debate, so I have nothing further to say at this time.

Mr. G. J. McIlraith (Ottawa West): Mr. Speaker, I have a few remarks I should like to make on second reading of the bill. This is a short bill and seems to raise two matters of principle. The first arises out of clause 1 of the bill, which was described in the resolution as a certain matter having to do with the administration of the Export Credits Insurance Act; but now that we have the bill it turns out that the certain matter relating to the administration of the act involves an increase in the number of directors from five to six. This, of course, raises the whole question of the administration of the act and the principle being applied in relation thereto. On that point I desire to say a few brief words which will to some extent be repetitious of what I said at the resolution stage, but I will try not to make my remarks any more repetitious than necessary because I merely want to deal with the principle involved.

The other matter of principle raised by the bill has to do with whether or not parliament should grant increased funds in order to permit the corporation to proceed to guarantee payment of further instruments of sale or export under section 21A of the act, and whether the government should make additional funds available to the corporation for use in the purchase of guaranteed instruments.

With relation to the question of principle involved, I think enough has become apparent at the resolution stage and earlier in other debates to show that everything that can be done by appropriate legislative means to assist our exporters should be done because of the sharply increased competition they have to face throughout the world. It is readily apparent from an examination of statistical data on this subject that this country is not quite holding its competitive position. That is due to a number of things, among them being the very rapid recovery made in Europe, the success of the venture undertaken there in coming together in the common market grouping, and so on. Whatever the reasons are, I do not propose to discuss or develop them now, but they make it very clear that every assistance must be given our exporters to meet the kind of competition they have to meet in world markets.

The second clause of the bill, which raises the question whether or not we should grant an additional $100 million for the purpose of guaranteeing export payments or purchases of instruments where necessary, is

one that I think will commend itself to the house. I believe it is reasonably clear from the minister's explanation that there is every prospect that the applications for guaranteeing payment of these instruments, which really has the effect of granting long term credit, will be sufficiently great before another year goes by to use up all the funds that have been made available by parliament. Therefore so far as we on this side of the house are concerned we are quite prepared to grant approval in this regard, so that an additional $100 million can be made available for this very desirable objective.

With respect to the first point I raised, the increase in the number of directors from five to six, no explanation has been given as to the need for that change, but I presume one will be given at a later stage. I am not disposed to raise any objection to the proposal at the moment, because I assume that when we get to the committee stage we will be given an explanation. On the assumption that the explanation will be satisfactory, I am quite prepared to approve this proposal. But I do want to raise one question of a general nature with regard to the administration of the act.

Mr. Speaker: Perhaps the hon. member would agree that it is one o'clock, if he has further comments to make.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. McIlraith: Mr. Speaker, when the house rose for the noon adjournment I had indicated that there was one matter of principle relating to the general administration of this act that I wanted to raise and place on the record. It is simply this. The Export Credits Insurance Act, since its enactment in 1944, has worked very well. It has, I think, been clearly demonstrated over the years that the act has made a substantial contribution towards aiding the exporters of this country, either by insuring the credit risks on exports or, as a result of later amendments, by guaranteeing the export paper and thus enabling the exporters to discount it. In other words, this has had the effect of granting long term credit to the exporters. These two things have been needed by the exporters over the years in order to carry on their activities.

The practice has been for the exporters, when they require long term credit, to apply under this legislation for a guarantee of payment, thus making the instruments of sale readily negotiable. It is true that we have private corporations dealing with this subject of export credit financing. These private corporations have not, as yet, occupied a very large sector of the field available to them. On previous occasions, I have expressed the hope that no use will be made of this act that will interfere with the private export credit financing that is available. I have no reason to suspect that there has been anything done under this act that would interfere with the private firms engaged in these activities. As a matter of fact, I am satisfied that up until the present at least, there has been no clash of interest between the two. I may say that if there is any evidence of public funds being used improperly under this public act to interfere with the activities of private concerns who are available and ready to render service in this field, I shall be the first to object. I would expect that on that occasion I would be supported by all hon. members in the house.

The particular point that concerns me today is the government activities in this field outside this legislation. This legislation was intended, at the time of its enactment, to be legislation that would provide the insurance support for exporters who were exporting commodities from this country. There was general use made of it throughout the years since its inception. Recently, something has occurred that has caused me great concern and which I feel should be examined carefully by the house. I will try to deal with the particular item I have in mind in order to identify it clearly.

We have from time to time over the last number of years had sales of wheat to communist countries. These sales, in general, have commended themselves to this house as they occurred. The payments of these accounts have all been insured or guaranteed under this act, up until the last one about a year ago. I think this will be found to be a correct statement if one examines the records of the sales of wheat to European communist countries. They were dealt with under this legislation. The significance of that is that the government is then restricted in its granting of export credits to the form and extent approved by parliament. In addition, the actual orders in council providing for that guarantee of payment have to be tabled and made available to all hon. members of the House of Commons who, in effect, have the responsibility of passing on the extent to which public funds will be made available to the government for use in transactions of this type.

Within the last year we had a sale of wheat to China but when it came to insuring and guaranteeing the payment and the granting of credit it was not done under this

act. It was done by some means outside this legislation, and I have been quite unable to find the authority under which it was done, or the method by which it was done. I for one take strong objection to that non-disclosure, because I say it is the responsibility of the House of Commons to pass on that kind of commitment of public funds, and we have not had any explanation as to why that kind of transaction was not done under this legislation.

The consequences of having it done under this legislation would not, so far as I know, have affected in any way the actual position of the fund but it would have enabled this house to know how much of a commitment of public funds was made and on what terms, and it would also have meant that the authority granted by the government for guaranteeing the credit would have been made available to the House of Commons for such action, if any, as the house saw fit to take. I want to repeat my point of view that all government action in this field of guaranteeing export credit or insuring the payment of exports of commodities from this country to other countries should be done under this legislation, and be brought within the ambit of this legislation so that parliament can exercise its traditional control of the commitment of public funds.

I think that is an important principle although I must admit, Mr. Speaker, that I may be slightly repetitious in asserting it again because I did assert it on the resolution stage of this bill. I think however I am quite in order in asserting it—

Mr. Speaker: I wonder if the hon. member is in order, in view of what he has already said. I raise the question for him to answer because of the way he himself put his argument. He proposes discussing a matter which he says is not within the ambit of the act, that it has been dealt with outside this act, and therefore would not be affected by the proposed vote of additional capital. If the hon. member follows me, I draw a distinction between a discussion on proper uses of the money now to be voted, and a discussion on a matter which, on his own statement, has been dealt with by the government under other powers. That is a separate matter which is proper to be discussed at an appropriate time because it pertains to government acts and to public funds, but it does not seem to come under the legislation before us.

Mr. McIlraith: I quite appreciate what you have said and I sought at the outset of my remarks in explaining the two matters I wanted to discuss, to do it in such a way as to make it quite clear I was within the rules in discussing this point at this stage. As I say, there are provisions in the legislation under which I can do that. One is that the first clause of the bill has to do with the question of principle which was described in the resolution as a certain change in the administration of the act, and now contained in clause 1 of the bill—the increase in the board of directors. It seems to me that provision is of such a nature as to relate to the whole administration of the act.

Having said that I come to the second question of principle and that has to do with providing an additional amount of public funds for the granting of long term credit to exporters for commodities exported from Canada. That is where the second question of principle arises. The point I was seeking to raise was that this act is the only act granting that kind of authority to the government, and this other action that was taken in the China wheat sale, in the absence of some explanation by the government, must have been taken without authority because it was not under this act. Of course, if there is some other authority that I have not heard of, that enables them to do that, to commit the public funds, then my argument fails; but so far I have been unable to find the authority. I have gone on in my remarks to explain that in so far as action on similar wheat sales to communist countries is concerned in the long period of time—17 or 18 years—since the passage of this act it was done under this act. I presume that being so, and in the absence of finding any other legislative authority, this one should also come under the act.

That is my point, Mr. Speaker, and beyond that I cannot go. I quite accept the point of order you raised but I think I have answered it and brought myself within the rules of relevancy because I have brought that transaction under the principle in this bill. That is my point of order.

Mr. Speaker: I suppose that the hon. member might properly take the position that he would not wish to approve the increased amount of capital which this bill would make available unless the government uses that capital for all transactions of the kind that come under this bill. To that extent he could present the case on second reading, but it would have to be action of the government of the kind that would come within the bill. The hon. member knows that the government does act and disposes of public money under other powers and such acts could not be discussed under this bill. If he says the government has purported to act on authority outside of this bill, in one view he would be taking away from himself the right to discuss such act. However, I think there is enough to permit him to continue.

Mr. McIlraith: Thank you, Mr. Speaker. You will have noticed I have not digressed into a discussion on the sale of the wheat. I have confined my remarks to the guaranteeing of the exports payment. That transaction was very, very large. At least I believe it was very large but we are not told of the extent of the guarantee. From the public information given, we are led to assume it was very large and if I am right in my argument that it should have been done under this act the government conceivably might have had to come back earlier for this amendment in order to have the funds available.

In any event, I want to draw from the argument that the government has an obligation on this bill to explain why that transaction, which appears of a nature that it must come under this act, was not brought under it. If there is no explanation, of course they must stand condemned for not bringing it under the act. If there is in fact some other authority to permit them to guarantee export payment, then I must at once protest that this bill is not wide enough in that it does not make it clear, as has been assumed all these years that the Export Credits Insurance Act is the only legislation providing for government insurance or guarantees for export credit.

I want to press that point because, while perhaps I am guilty of not having made it sufficiently clear at the earlier stage, unclear as my remarks have been, the minister's reply on that point was very close to being nonexistent; it certainly did not really deal with the point at all. It is a point that I think must be dealt with if his legislation—which, as I have indicated, is good legislation—is to maintain its useful purpose in the years ahead. If we have been misled all these years, into thinking that the government may use many other methods of granting the use of public funds or putting a charge on them to assist exporters, then it is a rather serious thing. I would hope that no such action is contemplated by the government in the future in regard to export credit assistance to those selling commodities in other parts of the world.

Mr. Speaker, in these few remarks I have sought to make clear my point of view. I regret very much that the minister has not seen fit to deal with this point, because the principle involved here has to do with the increasing of the amount of money made available under the one clause of the act that is being amended. We are providing $100 million of the taxpayers' funds and I am old-fashioned enough to believe that we are pressing pretty heavily on taxpayers these days and making very heavy demands indeed upon them. That being so, I should hope that every care is exercised in examining any legislation of this nature that is brought before us, to see that the use being made of it is of such a nature as will also help to relieve the burden on those taxpayers. I think this provision of $100 million will have that effect. I am prepared to support the addition of the $100 million but I think it is a grave mistake for us to blandly assume that we can provide sums of money like this without being very acutely conscious of the burden it does impose upon our taxpayers. I was going to say our citizens generally, but our taxation has become so heavy that really the terms "taxpayers" and "citizens generally" are synonymous.

Therefore, Mr. Speaker, if I have appeared to belabour the point, I have done so for a purpose, because I think this matter is of the utmost importance. Export in our economy is so important that there can be no hope of prosperity in this country without the very heavy sale abroad of Canadian goods. If I have appeared to take a few minutes longer than might be expected on this, what appears on its face to be a simple bill, I have done so with the full consciousness of its importance. I hope that when we get to the committee stage the minister will deal with the points I have raised and will give a responsible and carefully thought out answer to them, if there is any answer available; and if there is not, of course he will have to stand condemned by his own failure to do so.

Mr. Frank Howard (Skeena): Mr. Speaker, as has been indicated in other years by other hon. members, our party endorses the principle inherent in the operation of the Export Credits Insurance Corporation. Also, as was shown a couple of years ago with respect to a concept of that operation similar to the one now before us, we are in agreement with this particular approach.

Two or three years ago, by way of an amendment to the Export Credits Insurance Act we, at the insistence of the government and with relatively little explanation at that time, removed from office as a member of the corporation the former governor of the Bank of Canada, Mr. Coyne. In 1959, when Mr. Coyne was fired from his position as a member of this corporation, we wondered what was the reason for it but we were given no explanation at all by the government. Perhaps we did receive an answer, though, for those doubts which we expressed in 1959. We received the answer during the last session when the government attempted to

make a scapegoat of Mr. Coyne, and we saw this move in 1959 as a sort of preliminary in that direction.

One of the principles of the bill, or one of the thoughts behind it, is to increase by one the number of directors other than those who are members of the corporation. I think we all have great esteem for the individuals who now hold office as appointed directors of the corporation. Inasmuch as each of them is well respected and is an admired member of the public service of Canada, I think we can expect—and if the minister said this earlier, I regret not having heard it or not having been in the house at that time—and hope that the additional director covered by the bill will also be appointed from the public service of Canada. I would hope and suggest that the appointee be someone from the Bank of Canada, preferably the present governor, who is in a closer relationship with the government than was the previous governor. I say this because it seems to me that this, being a crown corporation, and inasmuch as I understand there are at least 18 other nations in the world which participate with Canada in the Berne union and who also operate through government insurance plans such as this, that we should have someone involved in the international monetary fund and in the financial field from our own government services.

That is one of the reasons I suggest that the person who should be appointed as this additional director to replace former governor Coyne, who was fired from this position a couple of years ago, should be someone from the Bank of Canada, and preferably the present governor, Mr. Rasminsky.

I find it strange to hear in parliament the right wing, ultra-Tory advocates of individual initiative and free enterprise lauding legislation such as this. It indicates to me they have some doubts about the efficacy with which free enterprise operates in our economy.

Mr. Grafftey: What is the hon. member's stand on nationalization?

Mr. Howard: Again we hear what I am sure was a delightful comment from the hon. member for Brome-Missisquoi (Mr. Grafftey). Unfortunately I was not able to hear his delightful comment but perhaps he will take the opportunity of speaking later.

Mr. Chevrier: Always refreshing if not delightful.

Mr. Howard: It is interesting that those who wish free enterprise to operate untrammelled and unassisted should laud a measure such as this which is designed to employ public funds to ensure that private enterprise operates properly.

I do not dispute that this legislation is necessary. It represents a socialist concept that has been advocated for a number of years. I am sure there are a few right wing, ultra-Tory members still left in the Tory party. No doubt they will agree this legislation is necessary and beneficial to our economy.

In addition to providing insurance coverage for sales such as this we should be thinking in terms of expanding the operations of the Export Credits Insurance Corporation or a similar corporation, bringing into being an import-export board so that government facilities in Canada will insure sales of goods to other countries in a manner beneficial to this nation.

Certain companies are prohibited in Canada by United States law from selling goods and commodities to certain countries such as red China. If a board such as I have described were established as a government agency it could assist in the sale of non-strategic commodities to such countries to which some companies were formerly prohibited from selling by United States legislation. This type of thing should have developed by now to enhance our export position and provide employment to Canadian workers.

Like the hon. member for Ottawa West (Mr. McIlraith) I wonder why the recent sale of grain to China was not insured under the act. Similar sales in years past were protected and insured under this legislation. If a board such as I have described were established all such sales would be channelled through it and the details would be made public.

I submit one of the main reasons the government followed the course it did is that the Minister of Agriculture (Mr. Hamilton) had little to do with the sale of wheat and merely wished to cash in on the publicity.

Mr. Speaker: Order. It seems to me that the hon. gentleman is departing from the principle of the bill.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I wish briefly to commend the government and the minister for introducing amendments to this legislation. If I were to offer any criticism it would be that I hoped the amount involved would be larger. Later on I shall briefly explain why I take that position.

Let me deal with the point raised by the hon. member for Ottawa West (Mr. McIlraith) yesterday which was pursued this afternoon by the hon. gentleman who has just taken his seat. As I understand the legislation and the principle involved, it is not mandatory that the government bring in contracts such as that relating to the sale of wheat to China

and other similar contracts mentioned last evening. This is a discretionary matter initiated by the board. The board in dealing with a contract of insurance reaches certain conclusions and requests the minister to make application to the governor in council. There is nothing within the ambit of the legislation or inherent in the principle involved that calls upon the government to do what hon. gentlemen have suggested should have been done, and as time goes on I believe we will be satisfied that this is the case.

The hon. member for Skeena (Mr. Howard) dealt with a point raised by hon. members of the official opposition yesterday. The remarks of hon. gentlemen opposite in this respect clearly reflect the restrictionist trade program of the Liberal party and, in particular, its apparent dislike of those measures which formed the subject of some criticism on their part yesterday and today.

In my opinion we are fortunate in having a government that recognizes the great importance of trade in the world today, unlike the previous government which rigidly, even slavishly, adhered to the Washington line when dealing with projects of this nature, and which is prepared to have full regard for the interests of Canada and the Canadian people.

I shall leave that point at this time. I believe there was some question in Your Honour's mind as to the relevance of that subject to this debate and I believe Your Honour did restrict it. In view of that I shall say no more at this time.

When the history of today's period is written I think the value of measures of this kind will be proved. I hope these amounts will be increased over the years. I think it will be proved that measures of this nature have played a great part in the preservation and advancement of a more peaceful and happier world.

I am interested in the new emerging nations of Africa. In the last few years a number of countries there have come to a state of nationhood. They find themselves with a fantastic paucity of material resources and low standards of education. I believe it has been estimated that between $100 billion and $250 billion may well have to be poured into that continent in order to assist those nations to achieve a reasonable standard of living. To reach this objective they will have to export, but this will be impossible for them until they can provide themselves with plant and equipment geared to that purpose.

That is the purpose of this particular legislation. I am relating it particularly to the countries in Africa and the necessity of those countries in the free world which have the resources being able to supply to the newly emerging nations of Africa the machinery and the equipment to open the mines, to build the roads and to build the schools which are so very essential.

Directed to that end I think there can be no criticism of this legislation. Then as I say, I think we shall probably find that, in the not too distant future, we may be obliged to increase it. Consequently for my part, disregarding what in my opinion were the irrelevant criticisms advanced by the official opposition, I strongly support this bill and commend it to the house.

Hon. L. B. Pearson (Leader of the Opposition): If we on this side of the house, Mr. Speaker, seek to obtain information with regard to this amendment, that fact cannot be interpreted as suggesting that we are in any way, shape or form in favour of a restrictionist trade policy. The record of our party on that matter is clear. However, that record should not and will not prevent us from trying to find out all we can about this amendment under which we shall be increasing the limit of liability from $200 million to $300 million. An expenditure of $100 million is a fairly important proposal to put before the house. The information we are seeking has to do with both the omission of certain transactions from the operation of this act and on the other hand the inclusion of certain transactions within the operation of the Export Credits Insurance Act.

The question of omission was dealt with by the previous speaker. It was dealt with by my friend the hon. member from Ottawa West (Mr. McIlraith) at some length. It is an important matter, especially the omission from this act of the credit sales of grain to China and other communist countries—but particularly to China—which are dealt with outside the provisions of this act. Had they been dealt with inside its provisions so far as insurance is concerned, all the relevant information in connection with these transactions would have been made known to this house. However, that is not the situation that exists now.

So far as the inclusion of certain transactions within this act is concerned, it brings up another question, and it surely is relevant to a discussion of this bill and indeed it was considered as being relevant to a discussion of the resolution. It brings up the question of the measures for control of the export of certain commodities to certain sensitive areas, if I may call them that. If I raise this question, Mr. Speaker, it is in order to ensure that before this bill is passed we have all the relevant information in respect of this aspect of the operation of the bill. When we try to get that information,

that attempt should not and cannot validly be interpreted as indicating that we are discouraging in any way, shape or form any measure that can be taken by the government to encourage every form of legitimate export, whether by credit, insurance or by any other measure.

As has been pointed out by those who have spoken previously, exports and the increase of exports are of vital significance to our economy. When we were discussing this bill at the resolution stage the Minister of Trade and Commerce (Mr. Hees), as found at page 908 of *Hansard*, stated that, contrary to the impression he had given earlier in the discussion in the afternoon, certain sales to Cuba had been insured under this act. In fairness to him I should add that he also stated that no sales to Cuba or to any communist country had been financed under this act.

The question of insured sale, of insuring sales to Cuba and to other communist countries, raises the question—and it is certainly relevant to this amendment—of what are strategic materials and of how they are to be dealt with under the Export and Import Permits Act, an amendment to which we are now considering.

Last night, when we made our request for information on this matter and when we discussed it, the minister stated that it was a very sensitive matter. I am now paraphrasing what he said, not quoting him exactly. If I am not quoting him correctly, I am sure he will interrupt me. He said this was a very sensitive matter and that we on this side of the chamber should do nothing —and in fact he accused us of doing something—to make more sensitive the relations between the United States and Canada in respect of this matter. If there is difficulty in regard to those relations in respect of this particular matter, may I say that the responsibility for that difficulty attaches to those who are responsible for policy and surely not to us on this side who are eliciting information which will clarify that policy. Surely that is our duty and we propose to do our best to discharge it.

In respect of strategic materials covered by orders in council issued under this act the minister last evening, as found at page 908 of *Hansard* and subsequent pages, stated that it was very difficult if not impossible to draw a line between one kind of strategic material and another. He then drew on his own military experience in world war II in order to support that conclusion. Indeed he went so far as to say that in this matter there is no difference between explosives and underwear. However, I suggest to the minister—

Mr. Hees: I rise on a question of privilege, Mr. Speaker. I did not make any such ridiculous statement. I simply said that there were many materials that were vital to the successful carrying on of any military operation and that the opposition had tried to make it appear that certain materials were strategic materials or materials with a significant war potential.

I pointed out at that time that two very important war materials, materials vitally necessary to the successful prosecution of any military campaign, were food and medical supplies, both of which were supplied by the United States to Cuba in very large amounts up until quite recently, as outlined by the Prime Minister (Mr. Diefenbaker) when he very ably explained the situation to the house and gave the figures some time ago. I went on to say that if one wanted to go through the list of things that are necessary for the carrying on of a military campaign one could take all kinds of clothing, particularly that required in wet and cold weather, without which an army cannot proceed successfully. I then went on to say that you could go right down to items such as ties, underwear and so on; but I did not at any time compare ties and underwear to explosives.

Mr. Pearson: Perhaps I had better read exactly what the minister did say inasmuch as he is making this explanation to the house. As found on page 911 of *Hansard* he said:

> Anything that one wants to think of can be construed as potential war material because it is material with which an army cannot do without. For instance, shoes, ties, underwear, overcoats, hats, anything at all that an army needs can be so construed.

As essential war materials.

Mr. Hees: That is right.

Mr. Pearson: I continue:

> I can tell the hon. member for his information that when the weather gets cold or wet there are certain articles of clothing without which an army cannot operate and without which the whole military operation would break down.

Based on that conclusion the minister indicated yesterday that in certain circumstances anything in the categories he mentioned can be construed as military material or, if you like, as strategic goods, that there is nothing strategic or non-strategic but using makes it so. I think that is a fair description of the minister's approach to the problem. I am not quarreling with that as a general description; but by reason of the orders in council passed under this act by the government, and, indeed, by previous governments, the government itself has made a distinction between strategic materials for which export

permits are required, and which are therefore brought under control, and other goods for which export permits are not required and which therefore are not strategic materials within the meaning of the order in council setting up the list.

Mr. Hees: I am sure the Leader of the Opposition (Mr. Pearson) does not want to be unfair and will not mind my correcting him. I have made it very clear at all times that we follow the strategic list of NATO which is worked out in great detail by all of the NATO countries, including the United States, with the exception of Iceland. That is a list of goods which are considered by all of us to be strategic goods. I have said that any country to which the strategic list applies does not export goods that are on the strategic list to Cuba. The decision has been made by the NATO countries, not by us, as to what are strategic goods. We do not ship strategic goods that are on that list to Cuba. Other goods are not considered by the NATO allies as strategic and it is possible to ship them freely.

Mr. Pearson: I understand the position perfectly and what the minister has said does not get him off the hook. The NATO COCOM list about which he is talking has been drawn up by all but one of the NATO allies, of course, and in the drawing up of that list Canada played its part and has accepted that list.

Mr. Hees: That is right.

Mr. Pearson: That is the list of strategic materials and military supplies agreed on by NATO—

Mr. Hees: That is right.

Mr. Pearson: —for exclusion, if you like, from certain communist countries. But the Canadian government has gone much further than that. The Canadian government has drawn up its own list referred to in the order in council drawing up the list. I will come to that later and quote the exact words of the order in council as to strategic materials. That list is a much broader list than the NATO COCOM list, and on that list there are certain categories of goods described as requiring export permits and control because they are of a military character or are of potential strategic or military importance.

Mr. Hees: Is the Leader of the Opposition referring to the export control list?

Mr. Pearson: Yes, and I will refer to it in detail.

Mr. Hees: That is not the strategic list.

Mr. Martin (Essex East): We know that.

[Mr. Pearson.]

Mr. Pearson: The minister has made his point and I will make my point when I quote from the order in council establishing this list. We were talking about explosives last night, and I am informed that 125 tons of dynamite went to Cuba recently in one shipment. I have checked the list and the minister is right that dynamite is not included in the Canadian list for which export permits are required and over which control—

Mr. Hees: They are not included in the strategic list of NATO.

Mr. Speaker: Order. I wonder if I might interrupt for a minute. I understand that a debate of this kind was carried on at the resolution stage and it seems to me that the discussion of the export of goods should be related to exports under this act. I would think that it would be relevant to discuss the use made of the act in the past and whether the capital should be increased; but to embark on a general discussion of exports seems to me to be going beyond the scope of the principle on second reading. In other words, the discussion of exports should be related to exports made in pursuance of authority given under this act.

Mr. Pearson: Mr. Speaker, we discussed last evening and, indeed, have been discussing this afternoon certain categories of commodities which have come under this act for insurance purposes. The minister told us last night that some goods of this kind had been insured for Cuba. He also told us last night that the government had satisfied themselves that no goods of recognized strategic significance had moved to Cuba and that such goods had not been insured under this act.

Mr. Hees: Articles on the strategic list.

Mr. Pearson: But, Mr. Speaker, surely we should have a chance to look into the act and how it is operating in respect of the insurance of such goods shipped to these destinations. In Quebec city last December 28, I think it was, under the authority of this act dealing with the import and export of strategic and other goods the governor in council issued a revised export control list—

Mr. Hees: That is right.

Mr. Pearson: —and under that section which deals with goods for which permits are required, section 3(a) of the act, 166 items were included in the list of goods for which permits are required. That section is very pertinent to the insurance provision of the act and the amendment now before us. It provides that the cabinet may place goods on the export control list for the purposes of ensuring—

—that arms, ammunition, implements or munitions of war, naval, army or air stores or any articles deemed capable of being converted thereinto or made useful in the production thereof or otherwise having a strategic nature or value will not be made available to any destination wherein their use might be detrimental to the security of Canada.

This is a list of 166 categories of goods which cover goods of a strategic nature or having a strategic value. Therefore, Mr. Speaker, notwithstanding what the minister may have said, surely that means that the items under this section are items of a strategic character within the regulations established by the government itself, and there have been 166 items of that kind enumerated. In addition to the information we got the other day with regard to permits given under this section of which I think there were 77, we are informed that 100 export permits were issued in 1961 for the sale to Cuba of goods in category 9-1 under this act, that is, goods originating outside Canada. One hundred export permits for the shipment of goods to Cuba originating outside of Canada have been issued, and perhaps when the minister has the appropriate opportunity he will give us some detailed information on that point.

Now, Mr. Speaker, notwithstanding the disclosure that in the year 1961 there were 76 export permits issued for goods on the list, under authority of paragraph (a), section 3 of the act which I have quoted, the government still states that Canada has issued no permits under this act for the sale to Cuba of goods of a strategic character.

Mr. Hees: That is correct, Mr. Speaker.

Mr. Pearson: The minister has confirmed that that is correct, that the issuing of permits under this section of the act does not mean that these goods have a strategic character. This denial which the minister has repeated this afternoon is all the more confusing because both the minister and his predecessor have stated that the export control list includes items classified as strategic.

Mr. Hees: It does.

Mr. Pearson: If it includes items—

Mr. Hees: I will explain the whole thing if the hon. member will give me the opportunity.

Mr. Chevrier: The Leader of the Opposition has the floor.

Mr. Hees: I can explain it in two minutes, if you want to listen.

Mr. Pearson: The minister can make his speech later.

Mr. Speaker: Order; the minister will have his opportunity to explain later.

Mr. Hees: You don't want to listen. You are just going ahead talking a lot of nonsense.

Mr. Pearson: It is obvious the items placed on this list because they come under the section of the act which deals with short supply or because they should be controlled in accordance with intergovernmental agreements should be removed from this particular list. There are only six items that have been placed there for that purpose, and the remaining 166 have been placed on the export control list because, in the judgment of the government, these goods have potential strategic or military value. Support, Mr. Speaker, for the claim that these 166 items have that strategic importance comes from the Minister of Veterans Affairs (Mr. Churchill) speaking in this house when he was minister of trade and commerce. I quote from page 3649 of *Hansard* for August 16, 1958, and this is what the minister's predecessor said in respect to this matter:

The export control list, moreover, serves an important function in indicating those items which are regarded as strategic, and an endeavour has been made to set forth the list in such form that traders may use it for this purpose.

Now, that is clear and unequivocal language. The minister went on to say this:

This means that if items are not on the export control list, permits will be readily available for export to any Soviet bloc destination on application . . . Our new export control list will serve as a clear lead as to strategic control policy.

Presumably the latest export control list will serve the same purpose. Then, Mr. Speaker, in a subsequent debate in this house about this matter on December 15, 1960, the hon. member for Essex East (Mr. Martin)—this can be found on page 820 of *Hansard* of that date—pressed for information about the relationship between the export control list and the extent to which it includes strategic material. The minister of trade and commerce of that time said, and I quote from page 820 of *Hansard* for December 15:

It covers not only strategic materials but other goods which from time to time may be in short supply or should be subject to control.

It covers not only strategic material, as the minister told the house, and that goes for the 76 permits which have been given. The minister tried to tell the house that the 76 permits that have been given do not cover that part of the list for which permission is required because they are of strategic value. Do they cover only those that are

of short supply or because of intergovernmental agreements? The minister knows that 76 of those permits are covered in this section of the act which deals with strategic material and goods in short supply. The present Minister of Trade and Commerce, in an effort to clarify this situation said on December 16, 1960, and he was talking about the export control list:

> The list includes arms and ammunition, military and related equipment, and raw materials which are of strategic significance.

Then, he went on to say at that time no permits have been or will be issued for the export of these goods to Cuba. You will find those words on page 867 of *Hansard*. Well, we know now, notwithstanding what the minister has said, that under this section of the act 166 permits have been issued in the last year—no, not 166 and I am not sure of the exact number, but the minister will know. There has been a considerable number of permits issued that come within this very category.

The minister may say yes, we have issued permits for goods placed on the list under the authority given to us by this particular paragraph of the section, but he may say these goods are not strategic. But they were put on this list, Mr. Speaker, and covered by order in council in this section because they were either arms, ammunition or goods of a strategic character. This was a decision which the government took and that is why these categories of goods were put under this act. They were of potential strategic importance. If these goods which are now going to Cuba, and which are on this list, are not of any potential strategic importance, why are these categories kept on this list for which permits are required and over which control is enforced?

All you have to do, Mr. Speaker, to convince yourself that these indeed are things of a potentially strategic character and put on the list for that reason, is to look at the permits themselves. I am not going to take the time of the house to go through the list. The list is there for those who wish to read it, in so far as we have been able to secure information in the house about that list. This seems to me to make the position in regard to this matter quite clear. The government has, by order in council under the act which we are considering today, established a list of goods which, because of the fact that they may have strategic importance, require a permit and are brought under control. We know now that item after item of goods on that list have been given a permit for export to this particular country we are now concerned with, Cuba. We also know that an item like dynamite, which is going to Cuba, does not presumably require a permit because it is not now, whatever may have been the situation once, on that list.

This, Mr. Speaker, seems to us to be a matter of very great importance in which an important principle is involved. If these orders in council establishing these lists under this act mean what we have been told, they mean, then the greatest possible care should be exercised in issuing permits under the act to cover export of any of these categories of goods to sensitive areas, especially to an area like Cuba which is now under a communist government which has caused a great deal of anxiety and worry in the United States and in the Latin American countries. Surely we should be particularly careful in this country not to take any action which on political grounds would add to these difficulties and where the commercial and trade advantages would not be compensated by the increased political difficulties.

No one in this house wishes to see the operation of the particular act we are discussing limited in any way that would encourage genuine export trading. But we do wish to be absolutely certain, before we agree to a $100 million increase, the amount involved, that this act will be so operated that goods of a strategic and military character will not be permitted to go to areas of the world which are sensitive areas, where the political troubles caused by sending goods to those areas, will not be compensated by any commercial advantage obtained from their export.

When the minister winds up the second reading debate perhaps he will be able to relieve our anxiety in this field. So far anything the minister has said has only added to that anxiety.

Mr. Brunsden: Would the Leader of the Opposition permit a question? In view of the great exception he takes today in respect to this particular matter may I ask him why the government, of which he was a member, permitted the export of thousands of tons of scrap iron to Japan before the second world war?

Mr. Pearson: That question is very easy to answer. I was not a member of the government at that time. My hon. friend said I was, but he is about 15 years out in associating me with the government of that time. The export at that time, which I gather was approved by all parties in this house, was not covered by an export control list of any kind. It was an export from Canada, without any permit being needed, to a friendly country. It may have been wise or unwise, but it certainly was not covered by order in council

or government action dealing with such exports. If my hon. friend feels the government of that day was negligent in sending material of a strategic character, like scrap iron was, then he should be all the more worried about the sale of aircraft, helicopters, base metals and explosives to a country now under communist government 90 miles off the shores of the United States.

Mr. Hees: Mr. Speaker—

Mr. Speaker: I must inform the house that if the minister speaks now he will close the debate. The Minister of Trade and Commerce.

Mr. Martin (Essex East): Sir, you say that if the hon. gentleman speaks now he will close the debate. The debate is not closed.

Mr. Hees: As nobody else got up, I rose to speak.

Mr. Martin (Essex East): The Speaker got up and asked if any hon. member indicated rising.

An hon. Member: Oh no.

Mr. Balcer: The minister was up.

Mr. Speaker: The hon. member for Essex East knows I have given a warning to the house and then called on the minister. If the hon. member wishes to speak perhaps the minister is prepared to give way.

Mr. Pearson: Well, Mr. Speaker, seeing the minister was recognized we shall have an opportunity to discuss this matter in committee of the whole.

Hon. George H. Hees (Minister of Trade and Commerce): I would like to answer some of the questions asked and, as the Leader of the Opposition said, we can go into committee stage, when the hon. member for Essex East can speak as many times as he wishes and as long as he wishes. First of all the hon. member for Ottawa West (Mr. McIlraith) asked once again regarding the sale and the insuring of sales to China, and asked whether or not that had been done in a legal way. I am glad to assure him once again that it has.

In the case of grain transactions with mainland China the Canadian wheat board simply borrowed from the banks in a perfectly normal way to pay Canadian producers for the grain. These loans were guaranteed by the Minister of Finance on behalf of the government, as is clearly provided in the Canadian Wheat Board Act. I am advised that the Chinese grain transactions involved nine months credit. That kind of short term paper is appropriate to finance through the chartered banks.

The hon. member for Skeena (Mr. Howard) made reference to the election of the new director, which is proposed here. The reason we are proposing that a new director be added is simply to make it easier for the board of directors to operate. The five directors and the two members of the corporation who also sit as directors of the corporation are all top civil servants, and are among the busiest people in Ottawa. A number of them have to travel quite often and are extremely busy people. As the quorum of the board is four it is often difficult to get a meeting of the board, and therefore it has been decided to ask parliament for the right to add another director. The hon. member for Skeena also suggested asking the Bank of Canada to nominate someone to act as the additional director, and I am glad to be able to tell him that is what we have in mind.

The Leader of the Opposition spoke about the insuring of sales to communist countries. As the Leader of the Opposition knows very well Canada, since the inception of the act in 1944, has always insured sales to all countries, including communist countries and, as he knows very well, many millions of dollars of sales to communist countries were insured while he was a member of the previous government.

With regard to strategic materials, the export control list includes the strategic list and other items not on the strategic list, that is, goods which are in short supply in Canada and which, from time to time, it is considered not advisable to export from Canada because the needs of Canadians are very great for those materials. Other materials are added from time to time, materials which it might be considered not desirable to be shipped to certain countries or certain parts of the world. Those goods are also included in the export control list.

In the statements I have made regarding Cuba I have made it very clear that with regard to Cuba, goods of a strategic nature are considered to be those on the COCOM strategic list made up at COCOM by representatives of all the NATO countries, with the exception of Iceland. We have considered that that list is the appropriate list of strategic materials to apply to Cuba.

As I have said, we have not granted export permits for the export of any goods on the strategic list, nor have we granted permits for re-export of goods originating in the United States. I do hope, Mr. Speaker, that I have now made clear what we export and what we do not export to Cuba.

Mr. Pearson: Would the minister permit a question?

Mr. Hees: Yes, I would be glad to.

Mr. Pearson: What, then, did his predecessor mean when he said that the export control list—and he was not talking about the COCOM list; he was talking about the export control list under this act—served an important function in indicating those items which are regarded as strategic?

Mr. Hees: The export control list includes the strategic list. Have I made myself clear?

Mr. Broome: Could I ask the minister a question arising out of the questions asked by the Leader of the Opposition (Mr. Pearson). Would the minister confirm that at least the Canadian export list does not include "invasions"?

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Chown in the chair.

On clause 1—*Board of directors.*

Mr. Martin (Essex East): Mr. Chairman, there are several aspects of this matter about which we might seek further clarification. I have been examining the report of the Minister of Trade and Commerce for the year 1961 on the operations of the Export and Import Permits Act and I find that in the report it is stated that no additions or deletions were made to the export control list in 1961. That is the statement made in the minister's report.

The Leader of the Opposition has directed our attention to an order in council that was passed by this government in Quebec. That order in council states that the present export list is effective February 5, 1962. An examination will show that the present list contains 172 numbered items, and my information is that the export control list which the government adopted in August, 1958, contained 228 items. There were, therefore, a number of deletions from the 1958 list by amendments made on September 13, 1960.

In August of 1958 the present government revoked the previous list and established its own export list. I think this is important in the discussion in which we are now engaged. The present government amended that list in September of 1960 and also issued a new list last December, to which our attention was directed by the Leader of the Opposition when he made reference to the Export and Import Permits Act export control list, P.C. 1961, passed at the Citadel, Quebec, Thursday, the twenty eighth day of December last.

Therefore this government—and this is significant, I think, in the light of what the minister has just said in reply to the Leader of the Opposition—has on three occasions taken formal action in regard to the definition of goods which have a strategic and military potential. This is a part of the record that cannot and must not be overlooked.

During the course of the remarks of the Leader of the Opposition the minister repeatedly said the Leader of the Opposition was confusing two lists. He was seeking to give the impression that the Leader of the Opposition was relying upon the COCOM list, the list of strategic goods which is made applicable to all NATO members; but no one had suggested that the government of Canada had permitted the export to Cuba, in this sensitive period, of goods that were covered by COCOM. The Leader of the Opposition was not speaking of a strategic list that had been devised by NATO members; he was speaking of a strategic list devised by the government of Canada itself. That is the point to which the Minister of Trade and Commerce did not direct our attention.

Of the articles that have been exported to Cuba, all of them but six come under that portion of section 3 which has to do with ensuring against any military potential that might be used in the country to which the goods have been exported. It is also important to recall once more exactly what is said in section 3 of the act respecting the export of strategic and other goods. The Leader of the Opposition has put this section on the record but I think it bears repetition. We are not talking about COCOM. We accept the minister's word, although we have not the list before us. He says it has never been made public and consequently, without in any way suggesting that we do not accept his word —because we do, if he makes that statement —we have no way of ascertaining whether or not his statement could inadvertently not conform with the facts and this would be, of course, merely by way of mistake.

The minister says that is a secret document that has never been made public. However, we are not talking about that. We are talking about the strategic list which the government of Canada itself has devised and, as I say, in regard to which it has taken special note on three occasions.

Section 3 of the act respecting the export and import of strategic and other goods says:

> The governor in council may establish a list of goods, to be called an export control list, including therein any article the export of which he deems it necessary to control for any of the following purposes—

The purposes are three. I will deal with the second and third first, because they do

not apply to our argument, and then come back to the first. First, (b) says:

to implement an intergovernmental arrangement or commitment; or

(c) to ensure that there is an adequate supply and distribution of such article in Canada for defence or other needs.

The important subsection is that the governor in council may establish a list of goods which he deems it necessary to control; and for this reason:

(a) to ensure that arms, ammunition, implements or munitions of war, naval, army or air stores or any articles deemed capable of being converted thereinto or made useful in the production thereof or otherwise having a strategic nature or value will not be made available to any destination wherein their use might be detrimental to the security of Canada;

Nothing could be clearer than that. The government itself has set out the area of definition of what is a strategic material. Last evening the minister said that the articles to which I had directed his attention, synthetic rubber, aeroplane parts, certain electronic goods and the like, were not strategic. I was tempted at the time to suggest, and perhaps there would be no harm in suggesting, that the conclusion one must draw from that observation of the minister is that if we are to take him at his word he is leaving to the Cuban government the determination as to whether or not articles of this kind are in fact strategic, as to whether or not, in fact, they may be used for purposes that could tend to undermine the security of this country or the defence of this continent.

It is not a question of whether or not the minister believes underwear is in the same category as airplanes, airplane parts, electronic machines or motor and military vehicles. It is not a question of whether or not there is a difference. The fact is that the government of Canada itself has said what is strategic. The government has given authority to sell those goods which under this act it says are strategic. Those sales are being made to Cuba which is a sensitive area at the present time. That is the indictment we make against the government.

We started out by saying that certain commodities such as airplane parts, synthetic rubber, helicopters, dynamite, explosives and the like are commodities of a kind that should not be sent to a country such as Cuba under present circumstances. We took the position that those were strategic materials. We did not argue, at first, that those were strategic in law. We said they were strategic by their very nature in the context of the situation attending the country to which they had been exported.

But now, after consideration, we add the further argument that the goods complained of cannot be regarded as anything but strategic not only within the context in which the word is used but in the light of what is the law of Canada, a law which this government itself established pursuant to authority given to it by parliament.

The minister has recommended to his colleagues that certain goods should be regarded as strategic. Authority has been given for the export of those goods to Cuba. The government in this order in council, pursuant to the authority given to it by parliament, says that these goods are strategic. Can there be anything clearer than this?

The minister takes the position that the goods covered by COCOM are of a kind which it is presumed could cause greater devastation and destruction than the goods covered under the Export and Import Permits Act. We would say that that might be an arguable position, and it likely is. We might also, for the purposes of argument, agree that many of the articles covered, particularly in item 8-43 of the list under the Export and Import Permits Act might not have the same destructive quality or potential as articles covered in the strategic list devised by NATO. However, the minister cannot escape the fact that the goods which have been sent to Cuba with the government's approval under item 8-43 are strategic not only because of the meaning of the word "strategic" in relation to a particular commodity, but in relation to section 3(a) of the act concerning the export and import of strategic and other goods.

The conclusion is irresistible. As the Leader of the Opposition pointed out it is clear what this government has done. Exercising judgment it has allowed goods to be exported to Cuba at a time when there is great concern about developments there in relation to the North American continent and the general situation that prevails in the world, goods which in fact could be used by anyone desiring so to do for the purpose of prosecuting the exercise of force. If there was any doubt about that, the doubt is removed as a result of confirmation by the government itself and the very terms of section 3(a). The minister may nod his head in disagreement. I can understand his embarrassment.

Mr. Hees: No embarrassment whatever.

Mr. Martin (Essex East): The minister cannot, however, under any circumstances, remove the clear justification for the argument we have made here today. The government has allowed to be exported to Cuba goods which it has said are strategic. That is a fact, and no words of the minister can serve to deny this circumstance.

Mr. Hees: Mr. Chairman, once again I shall try to explain to the hon. member what I have been attempting to explain for approximately a day, but it is very difficult to get people to understand if they do not wish to understand.

I will say once again that the NATO countries, our allies, including the United States, have decided, after a great deal of consideration, what in their opinion are strategic goods. I have explained to the Leader of the Opposition that our export control list includes the strategic list I have just mentioned plus other items which for one reason or another—and the previous government also did this—we consider should not be sent to certain countries in various parts of the world, and in addition items which because of their being in short supply in Canada makes it not a sensible course to have them exported.

As I have said—and I shall say it once again—we do not permit and have not permitted the shipment to Cuba of goods which have been considered strategic by all of the NATO countries including the United States. That is the position we have always taken and that is our position today. We do not believe in shipping to Cuba any goods which our allies and ourselves consider to be strategic. Other items on the export control list are there because for one reason or another we do not think they should be shipped to certain parts of the world. The goods we do not think should be shipped to Cuba are those on the agreed strategic list. I hope I have made myself clear.

I say again that hon. members of the opposition are making it very obvious that they are doing everything in their power by their many virulent, misleading speeches, to create the greatest possible misunderstanding between Canada and the United States. I think you will agree, Mr. Chairman, that that is a very high price to pay for a headline. It represents a course of conduct of which hon. gentlemen opposite should be thoroughly ashamed.

Mr. Pearson: Mr. Chairman, the minister has come back to his old and slanderous charge that because we are trying to elicit the facts in this matter we are exacerbating differences between Canada and the United States.

Mr. Hees: That is exactly what you are trying to do in order to achieve a headline.

Mr. Pearson: The minister must have a very guilty conscience in this respect.

Mr. Hees: I am just a little fed up with the tactics of hon. gentlemen opposite in trying to create difficulties between Canada and the United States.

[Mr. Martin (Essex East).]

Mr. Pearson: Mr. Chairman, the most extravagant headlines about this matter which have been seen in the press in recent years have been headlines provoked by the minister's own statements about relations with Cuba—

Mr. Hees: That is utter nonsense.

Mr. Benidickson: They are wonderful people.

Mr. Pearson: Also, Mr. Chairman, the headlines that have been provoked recently have been provoked by the government's policy in regard to this matter. The minister throws up the old smokescreen about the NATO COCOM list. He said that we sent nothing on that list to Cuba. We accept that statement. He told us that last night. But the minister also will not tell us about other items on a list which is designated by the government itself in the legislation covering this matter, as strategic; and I will repeat it again, articles of a strategic nature. This is not a NATO definition; this is a Canadian government definition. The minister will not say whether this government will or will not continue to supply goods under that list category to Cuba.

As a matter of fact, the minister has said—and I hope I am quoting him correctly—that unless an item is on the COCOM list, it will go to Cuba. He has done that. They have given permits for such goods and those goods have included radioactive materials, helicopters, aircraft and indeed dynamite. The minister takes the responsibility for the decision in respect of certain goods of this character sent to this particular country at this time. In view of the situation in that country and in view of relations between that country and its neighbours, including the United States, the minister takes the position that it is perfectly all right and that if you apply for a permit for goods of that kind, you will get it. That is the position the minister is taking.

He has also said that in respect to these items, they may be strategic or they may not be strategic, in accordance with the use to which they are put in Cuba. I ask the minister who decides that question. Who decides what use dynamite is going to be put to in Cuba? Who decides what use an aeroplane is going to be put to in Cuba?

Mr. Hees: I will tell you that.

Mr. Pearson: I take it the minister said "We will decide".

Mr. Hees: I said that I will tell you. The hon. member is asking the question and I shall be very glad to tell him the answer.

Mr. Pearson: Who decides?

Mr. Hees: It will be the NATO countries.

Some hon. Members: Oh, oh.

Mr. Hees: According to the Leader of the Opposition and the hon. member for Essex East the United States and other countries that form NATO know nothing about anything. We say the people who are most fit to judge what are strategic materials and what are not strategic materials, as far as Cuba is concerned, are ourselves and our NATO allies, and we are abiding by that decision, not any decision by the Leader of the Opposition, the hon. member for Essex East or any other member of the opposition.

Mr. Pearson: The minister falls back once again on the NATO list. He should know that this NATO list was drawn up long before there was any difficulty with Cuba at all, and long before the Castro revolution in Cuba. The COCOM list was in existence at that time.

Mr. Hees: That is right.

Mr. Pearson: We are talking about a situation which has developed in Cuba and which had nothing whatever to do with the COCOM list, because that situation did not then exist. I therefore ask the minister to forget about NATO for a moment and to come back to Canada and tell this committee who makes the decision whether a permit will be given for the export of dynamite, helicopters or aircraft to Cuba. Who makes the decision whether those materials will be used in a way which will make them dangerous to peace and security in this hemisphere? Who decides that they will be used for peaceful purposes and that therefore it is quite all right to let them go forward? Who makes that decision?

Mr. Hees: The NATO countries committee called COCOM.

Some hon. Members: Oh, oh.

Mr. Hees: You asked me the question and I gave the answer.

Mr. Martin (Essex East): May I ask the minister this question? He said that the NATO members made the decision. What about the order in council that was amended at Quebec on December 28? Was that decided on by the cabinet? Or did the members of NATO have representatives at the cabinet meeting, and was that amendment not made entirely, as it should have been made, by the members of the government of Canada? Is the minister trying to tell us or trying to suggest to this committee that the government decided that matter or that it was decided for the government of Canada by some group of countries outside?

Mr. Hees: No.

Mr. Martin (Essex East): Surely the government or the minister does not expect the committee to be so credulous as he seems to imply.

Mr. Hees: That decision was made by the government. This government makes its own decisions instead of allowing them to be made by other countries as was the case when hon. gentlemen opposite were in office. I am telling the hon. member for Essex East that the government made that decision. In that list are included three categories, and I will say this over again as the hon. member is extremely dull this afternoon. The three categories are the strategic list as was decided—

Mr. Martin (Essex East): The strategic list.

Mr. Hees: I am telling the hon. member the three categories. He sits there giggling like a gaping ape instead of listening.

Mr. Martin (Essex East): The strategic list.

Mr. Hees: The three categories on the list that my hon. friend asked about are as follows. There is first the COCOM list decided by NATO. Then there are items which we do not want exported at the present time because of their short supply in Canada, and other items which, for one reason or another, we do not think it would be desirable to have shipped to certain parts of the world. Those three categories make up that list.

Mr. Pearson: The minister is only getting himself into greater difficulty in his laudable effort to explain the matter. If the first list he talks about under 3(a) is only the COCOM list—and that is what he calls it—how does he explain the fact that there are 166 items in that list and that there is a much smaller number of items than that on the COCOM list? Then if the COCOM list is the only list that really matters in connection with this matter or is the only list which governs the export of these materials to areas like Cuba—why not restrict this strategic list to the 3(a) list or the COCOM list? Why add all these additional items to it as strategic materials?

Mr. Hees: I have said that there are three categories and that in one of these categories are items which for one reason or another, we do not wish to see exported at this time to certain parts of the world. The items that we do not wish to see exported to Cuba, a certain part of the world, at this time are the items that have been declared by NATO to be strategic, and we are not exporting them. That is the list we do not export to Cuba.

Mr. Pearson: The minister will not go beyond the statement he has made. However, that statement is completely contradicted by the act.

Mr. Hees: Nonsense.

Mr. Pearson: Section 3(a) of the act does not even mention COCOM. Section 3(a) of this act was in effect before the COCOM list was drawn up. Now the minister says it is a NATO list in a Canadian piece of legislation that matters. He says there are three categories and one is the NATO category. There are two other categories, one dealing with intergovernmental agreements and the other dealing with short supply. The minister asked us to believe that there are only three categories of goods in this act, namely the NATO COCOM list, the short supply list and the intergovernmental list. The act itself completely denies what the minister has said.

The Deputy Chairman: Shall clause 1 carry?

Mr. McIlraith: No.

Mr. Pearson: The 3(a) list about which we have been talking under category 9-1 of that list, deals with goods originating outside of Canada, whether in bond or cleared by Canadian customs. Is it a fact that 100 export permits have been issued in 1961 for the sale to Cuba of goods in this category? If so, can the minister give us any particulars about these goods and where they come from?

Mr. Hees: No, Mr. Chairman, we are dealing with a completely different act from the one with which the hon. member is dealing. I am very happy to speak in general terms on general matters of export. However, inasmuch as this is a completely different act that we are dealing with at the present time, I, of course, do not have these specific details at my fingertips. If the hon. member wishes to put the question on the order paper I shall be glad to answer it. However, as that is not the act with which we are dealing at the present time, I naturally have not available the specific information that he has asked for. We are dealing with an act to amend the Export Credits Insurance Act. I shall be glad to answer in detail any questions about that act.

Mr. Pearson: Mr. Chairman, the minister admitted last evening that under the act in question the government was insuring certain exports to Cuba. He admitted that last night. We are trying to find out whether, in respect of those goods that have been insured for export to Cuba, 100 permits have been issued for the sale to that country of goods originating outside Canada under category 9-1 of the Export and Import Permits Act. We have been talking about that for the last hour and a half.

The Deputy Chairman: Shall clause 1 carry?

Mr. Hees: No, I should like to give the hon. member his answer. I am advised that in the past 12 months goods going to Cuba have been insured in the amount of $270,000 and I am also advised that the two categories of goods that have been insured are pharmaceuticals and supplies for making paper. Does that satisfy the Leader of the Opposition?

Mr. Pearson: I take it I will have to be satisfied because the minister will not give us any information.

Mr. Hees: I have asked the chairman of the Export Credits Insurance Corporation, and he has given me that specific answer. I cannot give any additional information because there is none. I have given the hon. member the complete answer as given to me by the chairman of the Export Credits Insurance Corporation who is sitting right in front of me.

Mr. Martin (Essex East): Mr. Chairman, I want to elicit from the minister his understanding of 3(a) which does use the word "strategic". The minister says that all he follows is the COCOM list and he seeks to establish by implication that there is no other list by which the government of Canada is bound. We have on record in answer to questions put by the hon. member for Trinity and the hon. member for Ottawa West the character of the goods which have been sent to Cuba. The great bulk of these goods are goods that come under 3(a). Are we to understand now that the government interprets 3(a) in a manner different from what is suggested by the actual wording? If so, will the minister explain why in 3(a) it reads this way:

> —to ensure that arms, ammunition, implements or munitions of war, naval, army or air stores or any articles deemed capable of being converted thereinto or made useful in the production thereof or otherwise having a strategic nature—

What are we to understand is the government's position? Does it regard the use of the word "strategic" there in a different sense from what it does when giving consideration to the COCOM list?

Mr. Hees: If you want me to answer I will answer. We consider that the definition given to "strategic" by the COCOM list is the one that applies to Cuba as far as we are concerned.

Mr. Martin (Essex East): I am not asking that. I am not asking what meaning the minister attaches to the list devised by

COCOM but to the list which has been devised by the government of which he is a member and on the recommendation of the Minister of Trade and Commerce.

Mr. Hees: That is correct, and in order to ensure that the kinds of items listed here are not shipped to Cuba, we have taken the definition and list made up by the 12 countries concerned and we do not ship to Cuba items of that kind which are considered to have a strategic nature as defined here.

Mr. Martin (Essex East): But then you do ship synthetic rubber. You do allow the shipment of electric transformers, motor vehicles—

Mr. Pugh: On a point of order, Mr. Chairman—

Mr. Martin (Essex East): You do allow industrial chemical specialties and explosives.

Mr. Pugh: On a point of order, Mr. Chairman—

Mr. Martin (Essex East): You do allow aircraft engines and parts.

The Deputy Chairman: Order. The hon. member for Okanagan Boundary is raising a point of order.

Mr. Pugh: It seems to me, Mr. Chairman, that we are straying a little far from the actual bill under consideration. You more or less made a ruling before, but we keep coming back to this same question, the export of strategic materials, which has nothing whatever to do with the subject before us at the present time. I think there is plenty of opportunity to debate this other matter at the proper time, but certainly that time is not now. It is not part of the subject before us. Could we have a ruling?

Mr. Hees: In answer to the hon. member for Essex East may I say I am advised that the items we have shipped to Cuba under 3(a) are quartz crystals for aircraft radio receivers, certain aircraft engine parts, a cobalt bomb for hospital use and radioactive cobalt for hospital use.

Mr. Martin (Essex East): Is the minister suggesting that these are the only—

The Deputy Chairman: Order. I am sorry to interrupt the hon. member for Essex East but the hon. member for Okanagan Boundary has asked for a ruling on the matter of relevancy. I find that to some extent I am inclined to agree with him and I only measure my agreement by the precedents to which I listened when we were in the house a short time ago and the Speaker was in the chair. This has made it difficult for me to be very stringent in holding the debate to a narrow sphere.

I should point out to the committee that clause 1 of the bill merely increases the number of members of the board of directors from five to six. I realize that on clause 1 of a bill the scope of debate is a little wider than normal, so I can only seek, before taking my seat, the co-operation of members on both sides of the house.

Mr. Martin (Essex-East): We thank you very much, Mr. Chairman, for the care with which you have expressed your views as to the situation. May I assure the Chair that we have the fullest confidence in the view he has taken as to what should be the course of discussion. The reply given by the minister a moment ago was surely a limited one. In fairness to the minister, I hope he is listening. I hope the answer he gave a moment ago was not intended to be an exhaustion of the list of goods which have been exported to Cuba pursuant to section 3(a) of the act because the reply he gave the hon. member for Ottawa West clearly indicates that much more was sent to Cuba with government approval than the list mentioned by the hon. gentleman. Among those things were aircraft and helicopters, piloted or pilotless aeroengines, all sorts of helicopter equipment. Then we have military crash helmets, parachutes used for combat personnel and the like. These kind of things are all covered in 8-1 and are capable of being sent to Cuba. Is the minister going to suggest to us that articles of this kind are not to be regarded in themselves as strategic?

But we do not rely on this for the validity of our case. Rather, we rely upon the act to which has been appended a regulation authorized by the governor in council. That is the point, and the minister keeps evading this aspect of the matter. He says that the only goods he has not allowed to be shipped to Cuba are goods which are regarded as strategic under COCOM. We accept that. We have no alternative because the COCOM list is not before us. But we say what we object to is the authorization for export to Cuba of goods characterized as strategic in the government's own legislation, and the minister has not yet dealt with that point.

Mr. Hees: Mr. Chairman, it is impossible to make the hon. member understand. I have explained it over and over again and I am afraid I just cannot explain it further.

Mr. Pearson: May I ask the minister a very simple question? Was dynamite on the 3(a) list before the revision of December, 1961?

Mr. Hees: I have no idea, Mr. Chairman. All I say is that it is not on the COCOM list.

An hon. Member: What about bow ties?

Mr. Benidickson: I do not want to intervene if some members want to pursue the line of questioning that has been going on in this committee, but I do have some questions to ask before I, personally, would be prepared to see clause 1 carried. We had some discussion yesterday during which phraseology was used indicating that this financing was confined or related to capital goods. I am no expert on this act, but I have tried within the last couple of days, although I have had some other bills to look at, to find in the statute itself something which justifies people in saying that export credit facilities should be confined to capital goods.

Now, the Canadian Press in December put out a speculative story to the effect that we might have an amendment to this statute this session. They referred to the fact that there was a ceiling of $200 million on the amount available for export assistance such as that contemplated under the act. Events have proven this speculation to be accurate, and the government is recommending to parliament a large increase in the authority of the executive to grant export credit, under certain circumstances, so that the ceiling on government liability will be $300 million instead of $200 million. I am not clear as to why the phrase is used, "capital goods". I find that the Auditor General, when he reviewed the operations of this crown corporation for the year ending March 21, 1961, picked up this phrase "capital goods" on page 85 of his report when he was trying to give a short outline of the purpose of the crown corporation.

I know that some of the largest transactions, both under this government and the former one, when utilization was made of this statute which was introduced by a Liberal government, have been related to financing grain sales on longer terms than commercial banks would make possible. I am going to look at another reference in the Auditor General's report, but that is my first question. Would the minister be kind enough, after I conclude, to direct my attention to the statute which in his mind justifies the use of the phrase "capital goods" as being the basis for the legislation before us?

Mr. Hees: Yes, I will be glad to do so. It is not specified in the statute; it is simply done by practice because capital goods are the only type of goods to which long term credit can apply. The sale of wheat and things of that kind is insured, but it is not sold on long term credit. I am sure the hon. member will appreciate that long term credit is only granted on capital goods because that is an asset that lasts.

Mr. Benidickson: I am glad to have that explanation because I could not find anything in the statute that would justify the use of the term "capital goods", and yet reference had been made to it. The minister is saying, then, that when it comes to products like grain, which are consumables, utilization is made of the old, basic section 21.

Section 21B is relatively new, and I thought the hon. member for Ottawa West used a good definition yesterday in referring to it when he called it a guarantee of export paper.

Mr. Hees: Section 21A.

Mr. Benidickson: Last session, there was an amendment and section 21B was added to the act. Hon. members will be aware of the fact that under section 21B there was a clearer obligation placed upon the government to report transactions under this act to parliament. My recollection is that under this amendment of last year, the government is obilgated to report within 30 days after the opening of a session, the decisions that the executive has reached under either section 21 or 21A, because they involve very substantial sums of money. The government is supposed to submit the orders in council to parliament. If parliament is in session when a transaction contemplated by these sections is agreed upon, the cabinet is obligated within 30 days to submit to parliament a record of the transaction.

We are here on February 16, and there are rumours that contracts have been entered into for the financing of wheat sales within the last week or so. This rumour was denied, I think, the other day.

Mr. Hees: Not under this act.

Mr. Benidickson: I take it from what the minister has said that part of the confusion arises from the fact that apparently utilization has been made of the Canadian Wheat Board Act rather than this act in connection with financing or facilitating the sale of grain to China. This is new information for us and, of course, comes as something of a surprise. Like the hon. member for Ottawa West I would have assumed that, having established machinery for export credit, that machinery would have been used to facilitate these sales. The opposition at no time has indicated any opposition to the sale itself. Indeed, it has pointed out that while a Liberal government was in power it facilitated, through this statute, sales of grain to countries behind the iron curtain. It is not on that basis that we have any objection to the actions of the

wheat board in connection with sales of grain to China. We do feel, however, inasmuch as there is a taxpayers' liability of considerable consequence involved, we as their representatives in parliament are entitled, at the earliest opportunity, to the fullest possible information, and that we have not been getting.

Now, in connection with section 21B, I want to ask whether we are going to find, as we have found on three or four important occasions I could name, that after we have adopted the legislation of a particular minister, have passed his bill, he provides us with the annual report for a 12 month operation. We are then in a position where the information was not available to us when an important statute under his administration was under debate. Perhaps the obligation to report any transactions under this statute within 30 days will not be up until Monday. However, I should like some assurance from the minister that parliament has already been informed of all transactions during the recess under the Export Credits Insurance Act and, in addition, although he is not obligated to produce them, he has entered into no transactions under section 21, 21A or 21B since parliament convened?

Mr. Hees: Yes, Mr. Chairman. I am glad to assure the hon. member that all transactions I enunciated yesterday—the four of them—have all been tabled.

Mr. Benidickson: Then I come to the point that before we proceed with the bill it would be appropriate to have some further explanations from the minister. I indicated with reference to capital goods that this phrase was informally used. Although I cannot find it in the statutes the words "capital goods" were used in the Auditor General's report but in addition, as the minister is well aware, the Auditor General who only takes sample checks—he does not by any means audit every account—as a result of certain sample or test audits reports that he found that under the machinery of operation under this act there had been a fraud perpetrated to the amount of some $70,000. I think in his report he indicated that a claim was being made on the exporter who had been insured and who, under the insurance provisions, had received reimbursement from the government. Has the exporter acceeded to the claim advanced by the government and has he repaid the $70,000?

Mr. Hees: I am advised that there is nothing wrong with the exporter, and the agent abroad is being investigated at the present time.

Mr. Benidickson: Under its obligations our crown corporation did advance the $70,000. The Auditor General suggests that there was perhaps fraud on the part of some person to the extent of allowing the payment of $70,000 and there is some question whether it should have been advanced—

Mr. Hees: I understand—

Mr. Benidickson: May I just finish one short sentence. I take it the crown corporation is perusing the recommendation of the Auditor General but it has not yet completed its request to the exporter for reimbursement of a payment that may not have been properly made.

Mr. Hees: That is correct, Mr. Chairman.

The Deputy Chairman: Shall clause 1 carry?

Mr. Martin (Essex East): Mr. Chairman—

Mr. Hees: For heaven's sake.

Mr. Martin (Essex East): I know the minister is impatient but he must remember that we in the opposition have a responsibility—

Mr. Morris: The same old line.

Mr. Martin (Essex East): We have the responsibility that the minister exercised when he was over here. The minister ought to remember that when he was in opposition he sought to discharge that responsibility with vigour and there were many occasions—

Mr. Hees: I would have been ashamed of myself if I had discharged it this way.

Mr. Martin (Essex East): —when he took a great deal of time. Now he is annoyed if members take time, but we recollect that the minister has set a very good example for us, an example which in some particulars we are seeking to emulate. I think the minister ought to take a look at the reply given by his parliamentary secretary to a question asked by the hon. member for Trinity. That question has not been put on *Hansard* during the course of this debate and maybe the minister has overlooked it. It was question No. 148 which asked:

1. How many items are presently on the export control list.

The answer was:

One hundred and seventy two numbered items.

That is the list which in section 3(a) is regarded as having a strategic nature, notwithstanding the denial today by the minister.

The question also asked:

2. Are any items on the export control list for the purpose of implementing an intergovernmental arrangement or commitment; and, if so, how many and what are they?

The answer was:

Yes, two numbered items.

Then the various items are to be found in the reported list. There is no argument about these two answers, but with regard to the third answer I think the minister should give us a greater precision in his reply than he has given thus far, because he says no strategic materials whatsoever have been shipped to Cuba with the authority of this government. The question by the hon. member for Trinity was:

3. Are any items on the export control list for the purpose of ensuring that arms, ammunition, implements or munitions of war, naval, army or air stores or any articles deemed capable of being converted thereinto or made useful in the production thereof or otherwise having a strategic nature or value, will not be made available to any destination wherein their use might be detrimental to the security of Canada; and, if so, how many, and what are they?

If there had been any doubt about the nature of this discussion today on second reading, look at the reply which reads:

Yes, 166 numbered items. These are all the items in the export control list except those shown in part 2 and part 4.

Now we come to the fourth part of the question:

4. Are any items on the export control list for the purpose of ensuring that there is an adequate supply and distribution of such articles in Canada for defence or other needs; and, if so, how many, and what are they?

The answer is:

Yes, . . .

The details do not concern us. Surely the answer to number 3 should put an end to the misunderstanding which the minister says prevails between us. I want to ask the minister, as we come to the end of the time for the discussion of this matter today, does he not realize he is being put in a very difficult position? It is not going to be resolved by his being angry and using intemperate language, language that is not characteristic of him. Will he not seek to approach a resolution of this problem in a contrite, humble, conciliatory manner—

Mr. Walker: As the member for Essex East.

Mr. Martin (Essex East): As my hon. friend says, as the member for Essex East is seeking to do. I will admit that today I used rather vigorous language against the minister, for whom I have the highest regard—

Mr. Hees: For heaven's sake.

Mr. Martin (Essex East): I am trying to urge the minister to be conciliatory and he now shows further signs of temper.

Mr. Hees: It is just boredom. You are just boring me.

Mr. Martin (Essex East): He says it is boredom. That is an unfortunate remark.

[Mr. Martin (Essex East).]

Mr. Hees: It is very true when you talk all afternoon.

Mr. Martin (Essex East): The people of Canada are vitally concerned about this problem.

Mr. Hees: And they are bored to death listening to you.

Mr. Martin (Essex East): The minister says the people of Canada are bored to death—

Mr. Hees: Listening to you.

Mr. Martin (Essex East): I can assure you they are not the least bored to death with our efforts seeking to elicit from the minister a full reply on this vital matter. The hon. Leader of the Opposition has stated our position with regard to ordinary commercial arrangements with a country like Cuba at the present time and we support that policy of the government. We have not expressed any opinions with regard to that. Indeed, the hon. member for Kenora-Rainy River spoke about the export of wheat which started long before this. There were many exports of wheat to the present communist government of China, and the Canadian government had provided for the sale of Canadian wheat to Czechoslovakia and to Poland.

Mr. Benidickson: And Russia.

Mr. Martin (Essex East): And to Russia. That is not the point but what we are concerned about here is to ensure that we are not exporting to Cuba goods which could have a strategic value, that we are not exporting goods which under the law of Canada have a strategic nature, under the law which the minister himself has to administer. I say to him that the answer which his parliamentary secretary gave to the third portion of the question put by the hon. member for Trinity is a complete indictment of the position which the minister took here today.

Mr. Morris: Nonsense.

Mr. Martin (Essex East): Goods of a strategic character have been exported to Cuba.

Mr. Morris: Nonsense.

Mr. Martin (Essex East): That is the reply of the government of Canada through the parliamentary secretary. The minister's only reply to this is that we have not shipped to Cuba any goods that are contrary to COCOM, that is, contrary to the strategic list devised by the NATO countries. We do not take issue with that statement. What we do say, and I repeat it, is that the government by its reply to the hon. member

for Trinity and by the replies to the hon. member for Ottawa West has acknowledged that it did ship goods that are strategic within the meaning of section 3(a) of the Export and Import Permits Act. The government, rather than acknowledging this situation, seeks to give the impression that it has not authorized the export to Cuba of anything that is strategic. That is not borne out by the facts; that is not borne out by the replies of the parliamentary secretary.

If the government now takes the position that perhaps that should not have been done, that would be an understandable position to take; but for the minister to persist in trying to convey the impression that when we use the word "strategic" we are thinking of it in terms of the meaning within the NATO strategic list, I say that is not addressing oneself to the real argument.

If we have bored the minister; if we have persisted in this line of reasoning today, it is because it is our duty as an opposition to see that this government does not unwittingly—we know it does not want to do it wittingly—give assistance to a country with which we are not in concert in so far as foreign policy is concerned, having in mind our relations with countries on this continent and in the free world.

We do not accept dictation from any country, but we do recognize that we have an obligation to countries with whom we have so much in common, and while we do not pursue the same course in every particular, we are bound, surely, in the common interest to pursue a policy in regard to this matter that is not going to be detrimental to the integrity of our friends and is not going to be contrary to the very law which we ourselves have passed in this house.

That is the situation, and no abuse from the minister up to now or abuse which he may heap on me from now until five o'clock—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): —is going to alter the position that he has not satisfied us by the replies he has given here this afternoon.

The Deputy Chairman: Shall clause 1 carry?

Mr. Benidickson: Mr. Chairman, I see that the minister is not going to answer that particular point, which I thought was a very good one. Without wanting to delay the passage of this legislation, I wish to ask the minister to tell us very briefly, inasmuch as he has said that seemingly authority for financing the sales of grain to China have come under the operation of the wheat board act—and I know he is the minister in charge—under what section of the wheat board act he finds the authority for that action?

Mr. Hees: Mr. Chairman, I should like to correct the hon. member. I am not the minister in charge of the wheat board act.

Mr. Benidickson: Your predecessors used to be, but it is now transferred to the Minister of Agriculture; you are quite right.

Clauses 1 and 2 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported, read the third time and passed.

CANADIAN NATIONAL RAILWAYS

MANITOBA—PROVISION FOR CONSTRUCTION AND PURCHASE OF BRANCH LINES

The house resumed consideration in committee of Bill No. C-48, to amend an act respecting the construction of a line of railway by Canadian National Railway Company from Optic lake to Chisel lake, and the purchase by Canadian National Railway Company from the International Nickel Company of Canada Limited, of a line of railway from Sipiwesk to a point on Burntwood river near Mystery lake, all in the province of Manitoba—Mr. Balcer—Mr. Chown in the chair.

On clause 1.

Mr. Balcer: Mr. Chairman, this morning the hon. member for Laurier asked me whether I could give the freight rate on this new branch line. I now have the information. The freight rate is $2 per ton from Flin Flon to Chisel lake. This is a scale rate and it is made up in mileage blocks. When the new eight miles of branch line are opened a new mileage block will come into effect and the rate will move into the next mileage block. Therefore the published scale rate filed with the board of transport commissioners will be $2.25 per ton. Then there will be an additional surcharge by reason of negotiation with the company. This additional surcharge will be added to the $2.25 per ton, but the surcharge is part of the agreement; it was not filed with the board. As it is part of the agreement I am not in a position to give any more information on this agreed surcharge.

Clause 1 agreed to.

Schedule agreed to.

Title agreed to.

The Deputy Chairman: Shall I report the bill?

Some hon. Members: Agreed.

Mr. McGee: Mr. Chairman, I rise on a point of order in connection with the proceedings which took place this morning when we were discussing this bill. It has to do specifically with a point of order related to a comment made by the hon. member for Essex East about the chairman of the committee at that time. I tried to raise it, the committee will recall, earlier this day but was prevented from so doing because the matter had been referred by the committee to Mr. Speaker.

In point of fact, the hon. member for Essex East made the specific allegation about the person who was occupying the chair at that time, and said that he was guilty of improper conduct. An examination of the record will confirm, I am certain, my recollection of the circumstances which led up to that allegation. I hoped the hon. member for Essex East would be in his seat at this time because I am sure he would wish to withdraw the allegation, which was highly improper, made concerning the chairman at that time.

Mr. Chevrier: Mr. Chairman, on the point of order, I think it is a practice to first raise a point of order within the rules of the house. We are now beyond five o'clock and technically speaking—I am not making this point, as I will indicate in a moment—the hon. member is out of order. Second, the time to raise a question of privilege or a point of order is when the committee is sitting. The hon. member rose—

Mr. McGee: He was on his feet.

Mr. Chevrier: The hon. member rose after the committee had risen and a report had been made to Mr. Speaker, and Mr. Speaker told the hon. member that he was out of order. Now the hon. member tries to raise this matter under other considerations, and I think he is still out of order.

The third point I make is that it is not up to the hon. member to raise the point, it is up to the Chair. If the Chair felt a reflection had been cast by any remark made by the hon. member for Essex East the hon. gentleman would have been called upon to withdraw and I am sure he would have done so at the time. I submit with respect that the hon. member is out of order on three grounds.

The Deputy Chairman: I am sure the record will speak for itself in relation to the point of order that has been raised. I now ask your leave to report the bill. Is it agreed?

Some hon. Members: Agreed.

Bill reported.

Mr. Speaker: When shall the bill be read a third time?

[The Deputy Chairman.]

Some hon. Members: Now.

Mr. Speaker: We have passed the hour of five o'clock but by unanimous consent we can proceed at this time.

Some hon. Members: Agreed.

Mr. Balcer moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

Mr. Speaker: It being five o'clock the house will now proceed to a consideration of private members' business as listed on the order paper.

FINANCIAL ADMINISTRATION ACT

AMENDMENT TO PROVIDE FOR PRINTING OF NEGOTIABLE INSTRUMENTS IN BOTH ENGLISH AND FRENCH

On the order:

Second reading of Bill No. C-10, an act to amend the Financial Administration Act.—Mr. Boulanger.

Hon. Gordon Churchill (Minister of Veterans Affairs): Mr. Speaker, I believe this bill has been stood twice.

Mr. Speaker: Is the house leader requesting that this bill stand?

Mr. Churchill: No, Mr. Speaker. It has been stood twice.

Mr. Speaker: In the absence of the hon. member in whose name it stands this bill will be dropped to the bottom of the list, if it has already been called twice.

CRIMINAL CODE

AMENDMENT TO ABOLISH CAPITAL PUNISHMENT EXCEPT FOR TREASON

Mr. Frank McGee (York-Scarborough) moved the second reading of Bill No. C-12, to amend the Criminal Code (capital punishment).

He said: Mr. Speaker, my purpose in bringing forward this bill again at this session following the acceptance by this house of a government measure which limited the application of the death penalty and established degrees of murder is to place on the record of the house, for future debates which may occur on the subject, certain information that has come to light in this country relating to public opinion and feeling with respect to this subject, information that has come to light in Great Britain as a result of analyses that have been made there of the pattern of murder and the effectiveness of the legislation which has been in effect in that country since 1957, and also information concerning an event which occurred in New Zealand in

October, 1961. This event is perhaps unique in commonwealth parliamentary history, an event which saw the death penalty in that country abolished again as a result of a free vote which took place in that assembly. I shall describe it in some detail later. At the moment I shall say only that it involved unique action on the part of members of the government party and in particular on the part of a member of the cabinet.

The bill introduced by the Minister of Justice (Mr. Fulton) last year, as the house will recall, was not proclaimed until September 1, the reason for that, of course, being that the cases under consideration in the spring assizes in the various provinces were not to be brought under the act or else there would have been a retroactive pattern evolved. The act was proclaimed some time in September, as I recall, in anticipation of the fall assizes and cases of murder which occurred in the interval were brought under the new legislation.

One of the most interesting developments from my point of view in connection with public opinion about capital punishment and the abolition thereof has been the fact that for the first time in history the percentage of people who advocate the retention of the death penalty has dropped below the magic figure of 50 per cent.

There are those who claim that 50 per cent of the population, plus one, speak with the authority of the voice of God. I am not prepared to subscribe to that statement. However, it is interesting that in 1960 when this matter was the subject of extended debate in this house the percentages at that time were as follows: 51 per cent were in favour of retention of the death penalty, 41 per cent favoured its abolition and 8 per cent had no opinion on the matter.

Going back a few years, the figures for 1943, for example, were as follows: 73 per cent favoured retention of the death penalty and 18 per cent favoured its abolition.

Since the new measure came into effect and the number of categories of murders which are punishable by death was reduced, public opinion has undergone an interesting and perhaps understandable change. The figure for those favouring retention dropped to 47 per cent. The figure for those having no opinion or who were undecided on the question increased to an all time high of 27 per cent indicating in my judgment a "wait and see" reaction on the part of the Canadian people. This indicates to me that the public is willing to give this measure an opportunity to prove itself, to demonstrate its effectiveness or lack of it.

I remind the house that when this new legislation was introduced I described it as representing a more intelligent and effective compromise than the attempt which had been made in 1957 in England.

In my view it would be meaningless to attempt to evaluate the experience under the new legislation in view of the fact that it has been in operation only a short time. Perhaps in another year we will be better able to conduct a more searching examination into the question of the effectiveness of the present legislation.

The experience in England which as I said is based on a far less effective attempt to reach middle ground between the abolitionist position and the retentionist position has produced figures which do not differ greatly from those I placed on the record last year and the year before. A report of a publication issued by the home office analysing the types of murder which have taken place during the past ten years in Great Britain stated in part that the publication—

> —although it provides no heavy ammunition for those either in favour of or opposed to capital punishment . . . does give some fascinating statistics on murders, who commits them and why.

Let me deal with the fundamental point of the abolitionist argument. Those who contend that the death penalty is a unique deterrent—and this is the nub of the retentionist argument—argue that when capital punishment is abolished the expected and anticipated increase in the murder rate does not take place. I have always been careful to avoid falling into the trap of arguing in reverse fashion that if you wish to reduce the incidence of murder, one means of bringing it about is to abolish the death penalty.

However, as I have always done, I now challenge those who would retain the death penalty to demonstrate that, when it is abolished, the murder rate increases as they anticipate. As you know, Mr. Speaker, they argue that the murderer has selected his victim, accumulated his motive and planned his method and is only restrained by the threat of the death penalty in one of its many forms. They argue further—and it certainly follows from the first one—that if that threat of the death penalty is removed, then these people who have selected their victims, accumulated their motives and worked out their methods will, when released from this restraint, proceed to commit their murders.

Last year I put on the record the most recent experience in the United States. In the state of Delaware which abolished the death penalty a few years ago the murder rate in the full year prior to the point at which it was abolished was 12. In the full year following that date the murder rate

was 12, or in other words it was unchanged. In the year following that one it dropped to seven. Again I am not falling into the tempting trap involved in that statement. The point is that this simply does not happen where you have adjacent states, as you have in North Dakota and South Dakota in the United States. Certainly the murder rate there from year to year does not vary according to the state which has retained the death penalty, as opposed to the state which has abolished it.

This brings me to the question of New Zealand. The minister of justice of New Zealand presented to the parliament of that country a bill very much along the lines of the bill which was presented to this house last year by Canada's Minister of Justice (Mr. Fulton). The discussion apparently proceeded through second reading and when the bill was in the committee stage a member of the opposition moved an amendment simply to substitute, as my bill in this particular case attempts to do, the words "life imprisonment" for the words "death penalty" or "death by hanging" where they occurred. A rather extraordinary event took place at that point in the proceedings. The division bells were ringing. In the New Zealand house the pattern of voting is the same as in England. The vote was taken on the opposition amendment to substitute life imprisonment for the death penalty. From the reports I have been able to obtain it is not clear just what the sequence of events was which brought about the understanding in the house that this would be a matter of individual choice. However, that agreement was reached and the vote proceeded. The person who lead the members of the government who voted for the opposition amendment was the minister of justice who had introduced the bill.

I think you will agree, Mr. Speaker, that this event was unique in many respects. It certainly does violence to the notion of cabinet solidarity. It certainly is unusual that a minister or for that matter a private member introducing a bill does not usually support an amendment which in effect alters the principle of the bill. However, the event says something about the New Zealand house and about the healthy state of affairs in the New Zealand house.

This matter was the subject of an editorial which appeared in the *Evening Post* published in Wellington and which described the event as "a triumph for democracy". In addition to commending the members of parliament and the members of both parties in that house for the manner in which they had proceeded on this question, they noted with some relief that this question had now apparently been taken out of the political football category. When I spoke in this house a few years ago I acknowledged the fact and pleaded in this house that this matter should not become a question of party politics, as it had been in the New Zealand house. This editorial, in passing, makes the following comment:

> While Mr. Nash contended last night that Labour members had a free vote, the undeniable fact is that through the years it has been the rule for an individual to declare himself in opposition to capital punishment before he could be acceptable as a candidate.

I have contended that this is an unhealthy thing. This is the type of issue which should not become imbedded in party platforms. What had happened in previous years in New Zealand was that the death penalty was abolished by one government. On that government being defeated, it was restored by the government that succeeded it. Then that government in turn being defeated, the death penalty was abolished again. At that time I made the statement—and I make it again now; it is in agreement with the whole tone of this editorial—that it is an unhealthy state indeed where a change in government involves such a fundamental change in the law of the land. As I say, it may perhaps devolve further and this matter may again become the subject of party political partisan discussion. However, it is my hope and the expressed hope of the writer of this editorial and of others who have noted that situation, that this will conclude the matter and that it will be removed, as I mentioned earlier, from the category of a political football.

This is in summary all I have time to place on the record with relation to the question of capital punishment. It is encouraging in many ways. It is encouraging that the movement towards abolition has continued its pattern around the world with more and more governments and more and more jurisdictions taking the final step toward abolishing the death penalty. It is my hope and expectation that before too many years go by the Canadian parliament, supported by a growing body of public opinion, will abolish the death penalty in Canada.

Mr. Hubert Badanai (Fort William): First of all, Mr. Speaker, I should like to commend the hon. member for York-Scarborough (Mr. McGee) for his consistency and determination in furthering the abolition of capital punishment. When he first introduced the bill under discussion, there were a great number of people who felt horrified at the idea of doing away with the death sentence for murderers. While there are still well intentioned citizens who want the retention of capital punishment, an increasing number are gradually coming to the conclusion that capital punishment has failed as a deterrent in all cases where murder has actually been committed.

At every session in which the bill has been discussed I have taken part in the debate and each time I have been the recipient of letters for or against the retention of the death penalty, but it may interest some hon. members to know that the number of diehards in favour of the retention of capital punishment is diminishing. More and more people are beginning to realize that the real deterrent is life imprisonment. Indeed, I dare say that the change in public opinion during the past few years prompted the government to introduce an amendment at the last session of parliament which divided murder into capital and non-capital categories. It was a step in the right direction, one which should lead to the eventual approval of this bill.

The issue is still between two schools of thought, one thirsting after justice in a mood of vengeance and the other urging the practice of Christian charity and the rehabilitation of criminals. Notable figures in the religious life of this country have gone on record as being in favour of abolition. Still others have expressed opinions to the contrary. They hold to the belief that fear of the death sentence is a restraining force against murder. Personally I share the views of those who believe that there is no valid guarantee that the fear of punishment by death is a deterrent.

Consider the proportion of murders committed in circumstances of sudden passion which are not deterred by threat of the consequences. Crimes such as robberies from which murder may result are deliberately planned to avoid detection. Consider also the risk of executing an innocent person. To those who anticipate an increase in crimes leading to murders in the event of parliament approving this bill I would point out that the experience of countries where capital punishment has long been abolished is ample proof that such a conclusion is unfounded.

Here I wish to list some of the countries which have had no death penalty for years. Luxembourg has had none since 1822, Belgium since 1863, Portugal since 1867 and Holland since 1870. In Italy the death penalty was abolished in 1890, was restored by the fascist regime in 1931 and abolished again in 1948. It was abolished in Norway in 1905, in Sweden in 1921, in Denmark in 1930, in Switzerland in 1942 and has been abolished in dozens of other countries as well as several states of the United States.

I should like to quote now the following excerpt from the report of a British select committee on this subject:

> Our prolonged examination of the situation in foreign countries has increasingly confirmed us in the assurance that capital punishment may be abolished in this country without endangering life or property or impairing the security of society.

If and until the death penalty is abolished and if we are to retain capital punishment as at present on the statute books, then I would say that the very least that should be considered by the government is the substitution of the gas chamber or electrocution for hanging. In order to avoid the danger involved in a murderer sentenced to life imprisonment regaining his liberty after only 20 years because of good behaviour, the Criminal Code should be amended to make the penalty 99 years. Assuming that the person being sentenced for murder is 20 or 30 years old and would earn 20 or 25 years off his sentence for good behaviour, provided he lived to an unlikely ripe old age and had his sentence reduced he would still be close to 100 before he could be released and in that event no one would begrudge him the possibility of a respite of a year or two, which would probably be worse for him than being in jail.

Having supported the mover of this bill in the past, I am convinced now more than ever that I have done so in the best interests of justice and in the interests of humanity, and if it were possible for me to plead with greater force at this moment I would gladly do so. I take it that this question is being treated on non-party lines and above politics, as indeed any measure of humanitarianism should be dealt with, without partisan bickering. It is regrettable that questions of great importance to the welfare of the people are not dealt with more often on non-party lines because if this were so I believe the country would be the better for it.

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I have been speaking on the question of the abolition of capital punishment for some 25 years now. I have spoken on the subject at length at every session of the House of Commons for the past nine years. Therefore I can assure you that this afternoon I am not going to repeat all the various facets of reasoning and argument I have previously presented to the house with respect to the abolition of capital punishment about which I feel so strongly.

All I am going to do, in addition to what has been said and repeated so often before, it to express my thanks to the hon. member for having re-introduced his bill at this time. It is one that I think should be introduced consistently and continually until the House of Commons and the other place get rid of this system of punishment, retribution and revenge which is a relic of past savagery and barbarism.

If I could be convinced in any way at all that capital punishment is actually a deterrent to homicide or, in particular, that it is

an added protection to the police forces of our country, undoubtedly I would have to give a second thought to the position I have consistently taken. But, Mr. Speaker, because of my interest in this matter I have endeavoured to the best of my ability to study government records and the writings and speeches of eminent criminologists throughout the world, and I have no hesitation whatever in saying that all the known facts demonstrate that capital punishment is not a deterrent to homicide.

In the past year in particular I have been most interested in trying to ascertain whether any further studies have been made anywhere in the world with regard to whether or not capital punishment is an added protection to police forces. I have been particularly interested in that phase of the matter because I have noted that almost without exception the police associations maintain that it is a protection, and that is the reason why they support the retention of capital punishment.

So, Mr. Speaker, no matter what communications I have had with other countries of the world or international agencies, I have only been able to find one study that has ever been made of this phase of the question of abolition or retention of capital punishment. I refer to an exhaustive study made a few years ago by Professor Thorstein Sellin of the United States who had questionnaires sent to the police chiefs of every town and city in the United States with a population of over 10,000. The results were tabulated by the senior students of the University of Pennsylvania. When the results were tabulated, it was found that there was no variation as between states of the United States that had capital punishment, those that had abolished it and those that had abolished it and brought it back in so far as the percentage of deaths of policemen in the course of their duty was concerned.

I say, therefore, that the evidence throughout the world, not just for one year but over the years, demonstrates that capital punishment is not a protection to the police forces of the country. It is not a deterrent to crime because if it were I would have to change my mind.

Mr. McGee: Would the hon. member permit a helpful question? Is the hon. member aware that in the state of Delaware, following the abolition of the death penalty, the police forces within that jurisdiction were specifically asked to state their opinion as to whether they, in fact, regarded this as an additional hazard in connection with their duties. The results of that were along the lines just indicated by the hon. member.

[Mr. Winch.]

Mr. Winch: No, I was not aware of that question being asked of the police associations in the state of Delaware.

May I just conclude in this way, Mr. Speaker? Changes were made in the Criminal Code last year. A great deal of publicity was given to the change and to the question of capital punishment. It is known throughout Canada that we still have capital punishment for the capital crime of murder. It is known that the hangman's noose is there if you take the life of another. Yet, Mr. Speaker, pick up your newspapers and day after day, week after week, what do you find? Most unfortunately, you find reports of premeditated murder; you find reports of the killing of innocent citizens during the course of armed robbery and, I do not know why, but in recent months you find reports of husbands killing their wives, wives killing their husbands and parents killing innocent children as young as a year old. However, Canada has the hangman's noose, and that is known by everybody. These things still occur and, in the majority of instances capital punishment is no deterrent. People do not think about it when they commit homicide during emotional passion or some other emotional feeling, such as fear. There is no thought about the fact they may hang for it.

I say, sir, for all the reasons that can be found throughout the world, capital punishment not being a deterrent or a protection for our police forces, it is high time we in this country got away from the spirit of revenge, got away from a penalty that does not do any good. If it did any good, there would be a reason for it. We should establish a principle that those who cannot be trusted because they are a danger to society should be put away so that they no longer endanger anybody else. We should not take the power unto ourselves to say that they should die. For all the reasons I have read and discovered over the years, I am still completely in favour of the abolition of the death penalty and support the bill which is now before us.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I find myself in complete accord with the principle involved in this bill as expressed by the hon. member for York-Scarborough (Mr. McGee), who has on this occasion once again presented this measure to the house. I must say also that, feeling this way, I still subscribe to the opinion that what the government did last year was the wise and proper thing to do at this particular stage of this emotion charged issue. This is a somewhat Pickwickian philosophy, but I hope later on to be able to develop the argument and to indicate the reasons behind my thinking.

Before doing so, however, I should like to say that I was greatly struck by something the hon. member for York-Scarborough said while reading a newspaper article from a New Zealand paper. He referred to the fact that the newspaper said the procedure which was then being taken there constituted a triumph for democracy. Well, Mr. Speaker, it seems to me that the way in which we have proceeded in this house over a number of years is an excellent example of the democratic process at its best. Here is an issue in which a great many people are involved, an issue which some years ago was referred to a special committee composed of hon. members from this house and from the other place. This committee undertook to hear a great many witnesses and upon completion of their proceedings brought in a report which, amongst other things, recommended the retention of the death penalty.

One might have thought, then, that would be the end of this issue for many years to come. On the contrary, the hon. member for Vancouver East (Mr. Winch) who, as he says, has lent his abilities to the promotion of the principle of this bill for a long time, and subsequently the hon. member for York-Scarborough having had a personal experience while serving as part of the judicial set-up, brought their minds to bear on the issue and introduced this measure. As a result of the persistence of these and other members, as a result of the debate which was of a high calibre and in which all members participated, the government in due course introduced legislation which was passed last year. I regard this legislation as a sort of halfway house on the way to a final solution. That is justification for my remark that here is an illustration of democratic processes in operation and still functioning in the hope that ultimately the desirable consummation many of us look forward to will be achieved.

I mentioned something about the proceedings of a joint committee. I have often been asked why it was that in the proceedings in that committee, and in other committees, so many of the law enforcement officials have been opposed to measures of this kind, and have been opposed to any interference with the retention of the death penalty as it now exists. There is a rational explanation for that. Those who are concerned with the enforcement of law in relation to offences of this kind are divided into a variety of groups, each one of which might be called a watertight compartment.

The police officers who investigate a crime of this kind, and who are possibly called as witnesses, have a definite and limited function. From there the matter is usually referred to an officer of the attorney general's department whose duty it is, if he performs it properly—and most of them do—to take the evidence which has been obtained by the police and, without passion or prejudice, to adduce that evidence before a jury and before a court. At the conclusion of the court the function of the crown prosecutor or agent of the attorney general ceases.

Then you have the jury whose function is limited to the simple—simple in terms of principle—task of determining whether an accused person is guilty. You have a judge whose duty it is to decide what is the law, to tell the jury what is the law and, if there has been a conviction, to pass the sentence. You have the courts of appeal and finally, over and above all, you have the cabinet which deals with the question of commutation. These are the various functions. Each one is fairly limited and very rarely do you find a case where there is the over-all picture presented, as it would be to one who acts as counsel for an accused person from the time he is first arrested until either acquittal, execution or imprisonment, as the case may be. That is the accounting I have given for the reason why law enforcement officers generally take the position which they do.

Now, Mr. Speaker, I said we had come to the half way house. This is an emotional issue. It is my sincere belief that this is an illustration where a legislative body should not operate and should not act in advance of public opinion. This has been the case in other countries, in other states, in other units both geographical and political. Quite frequently, because of emotional involvement the death penalty has been discarded at a time when people are intellectually not prepared for it. This is frequently followed by a crime of a repugnant nature which has the result of invoking a clamour on the part of many people for the restoration of the penalty. Once it is restored it frequently happens that a long period of time may elapse before it is finally and irrevocably discarded.

For that reason I would not like to see the death penalty completely abolished unless and until it becomes quite clear that the people are ready for that particular issue.

The hon. member for York-Scarborough (Mr. McGee) referred to the trend in public opinion. That is quite right. During the last few months I believe one of the churches in Canada has made a declaration of its view in regard to the matter, in the course of which, as I recall it, the statement was made that this church favoured the abolition of the death penalty.

So far as I possibly could I have had occasion to examine a great many of the cases which have been tried since the introduction by the government of the new legislation, which was passed by parliament at the last session. As has been remarked, it is only since September that the amendment has been in operation and consequently it has not been possible to examine the citations in the law reports of decided appeals. I have not yet run across one although there may be some. So, we are pretty well limited to examining newspaper accounts of the crime committed and of the proceedings in court. Therefore my views may not be entirely correct because I followed that course; but I must say from what I have read and seen—and I have listened to one or two cases—I am convinced the legislation that was passed has been effective and good. It has had the result of removing that awful doubt which must persist in the minds of many people, when because of the variety of individual approaches, because of the variety of opinions which must operate on these particular crimes, we frequently find what might have been murder in one case is manslaughter in another. In one instance we find an acquittal but with almost the same set of facts in another circumstance it will result in a conviction.

I have read with interest some of the books on this subject, such as Marjoribank's autobiography of Sir Edward Marshal Hall, who is one of the most notable of English defence counsel and, on the other side of the coin, the biography of Sir Richard Muir, a tremendous advocate for the crown in England. From reading these books and closely examining the cases I am completely convinced that in some instances where a man with Marshal Hall's ability was defending, acquittals have been secured, or cases which involved elements of murder were reduced to manslaughter simply because of ability of counsel for the defence.

This has been my experience and for that reason the value of the legislation which was enacted and which is now in operation has been excellent and I believe it will continue to be most beneficial.

Under those circumstances I believe that if we can be permitted to have a continuance of this legislation for some years the people will come to realize that the half-way step which has been taken has not resulted in releasing a flood or deluge of crimes of this nature. Then I believe we shall ultimately come to the objective which the hon. member for York-Scarborough is seeking.

[Mr. Baldwin.]

Mr. R. D. C. Stewart (Charlotte): I had no intention of taking part in this debate but, as I have spoken on similar bills in the past and expressed my opinion regarding the retention of capital punishment, I feel I should enter this debate for the purpose of reiterating my previous position. On several occasions I pointed out that under our criminal code, previous to the amendment made last year, certain protections were given to an accused person. Last year we divided murder into capital and non-capital categories. In other words, in effect we said that so many degrees of premeditation made a murder capital, and so many degrees less made it non-capital. I am very interested to see how this distinction will be handled by a jury when defence counsel points out that his client had only 14 ounces of premeditation and therefore it was not capital murder. We cannot have degrees of murder. We will probably end up with no verdict at all.

The house was probably interested to see the criticism made by a group of law professors from all across Canada in which they dealt with this point. They said that if you are going to reduce murder to various degrees it is going to be very difficult for a jury to determine just how many degrees of premeditation constitute capital murder and how many degrees constitute non-capital murder.

The bill now before the house is a very simple one. It attempts to remove the distinction that was introduced last year. In other words, it abolishes, except in a very isolated case, capital punishment for murder. In my previous remarks I indicated that no doubt there would come a time in the history of this nation when we could safely abolish capital punishment. I am not speaking of capital punishment now as a matter of deterrence. I do not think that under British law anyone has ever been hanged for revenge or for punishment. The instances are very rare when anyone has been hanged except after a fair trial and after due process of law. It is conceivable that there might have been errors. Nobody has a greater sanctity for human life than I, but I think other lives should be considered apart from the life of the man who will go out and shoot and kill an innocent victim. We had an instance of this the other day, as reported in the newspapers. A man was stopped on the street and asked to show his operator's licence. With that, he pulled a gun and shot a police officer. Happenings of that nature indicate that we still need some deterrent, some overriding power, in this respect. There is ample provision in the Criminal Code even as amended which provides

safeguards for anyone who has been the victim of circumstances or who may have been convicted unfairly.

I was interested in a statement made by the Lord Advocate of Scotland, Right Hon. William Grant, at a meeting of the Canadian bar association in Winnipeg last year. The newspaper report says this:

> The Lord Advocate of Scotland said in an interview Monday that recent changes in British law restricting the death penalty were a mistake, and it is his belief that Britons share this view.
>
> Right Hon. William Grant is in Winnipeg for the meeting this week of the Canadian bar association. He contended that the gallows is a deterrent to crimes of violence, and that relaxation of capital punishment is a threat to public safety.
>
> "I have practised law and I know of cases where people engaged in the commission of crimes have not carried weapons because they knew it might lead to a capital crime. They would be willing to run the risk of five years imprisonment for theft, but not of losing their lives because they killed somebody in the commission of these crimes."

The experience in the United Kingdom has been detrimental to the abolition of the death penalty. I refer to an item which appeared in the Montreal *Gazette* last fall headed "Rising Murder Toll Is Cause For Concern In Britain". This article originated in London and says:

> Concern is mounting in Britain over the rising murder toll, now averaging nearly one a day and twice what it was a year ago.
>
> Conservative legislator Cyril Osborne told parliament Thursday night there had been 50 murders since December 1.
>
> "There is mounting feeling in the country that the death penalty should apply to all people of sound mind who commit these awful murders", he declared.
>
> The homicide act of 1957 abolished hanging for all but a few types of murder.

Further on the article says:

> Public, police and legislators are particularly worried by the number of recent sex crimes and the terrifying spectre of a new outbreak of child killing.

Mr. Speaker, I agree with some of the remarks that have been made. It is not possible, by any stretch of the imagination, to legislate positively or absolutely to deal with human conduct and human endeavour. There will be human beings who will defy any law under certain circumstances, but it is another thing to say that we should abolish and remove capital punishment from the statute books of this country. We can affix to the verdict of the jury certain safeguards, certain protections, rather than by abolishing capital punishment for all time and saying, "Regardless of the crime; regardless of whether it is premeditated; regardless of whether it is a crime of passion or a crime of violence, you are not going to have inflicted upon you hanging or some other form of capital punishment".

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

BUSINESS OF THE HOUSE

Mr. McIlraith: Mr. Speaker, I wonder whether the house leader would indicate the business of the house for Monday.

Mr. Churchill: On Monday the house will resume the debate on the address in reply to the speech from the throne.

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

HOUSE OF COMMONS

Monday, February 19, 1962

The house met at 11 a.m.

EXTERNAL AFFAIRS

BERMUDA—CONFERENCE OF U.S., U.K. AND CANADIAN PARLIAMENTARY REPRESENTATIVES

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I wish to announce that a delegation of Canadian parliamentarians has been invited to attend an informal conference of congressional and parliamentary leaders of the United States, the United Kingdom and Canada to be held in Bermuda from the 20th to the 25th of this month. The chairman of the Canadian delegation will be the Minister of Finance (Mr. Fleming), who will be accompanied by the Minister of Mines and Technical Surveys (Mr. Flynn), the hon. member for Essex East (Mr. Martin), the hon. member for York West (Mr. Hamilton), and the hon. member for Peace River (Mr. Baldwin).

I am informed that the purpose of the conference will be to hold informal and confidential discussions on a number of major foreign policy issues, and in particular east-west relations including cessation of nuclear tests, disarmament and the problem of Berlin; organization of NATO and connected problems in Europe; economic co-operation, trade and financial problems of Europe, and common market and aid to developing countries and, fourth, commonwealth-United States relations.

This conference is the second such meeting, and I think the meeting together of representatives of the United Kingdom, the United States and Canada is most beneficial and helpful.

[*Later:*]

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Prime Minister. The members of this united and forward looking group—

Some hon. Members: Oh, oh.

Mr. Herridge: —were very interested in his announcement concerning the interparliamentary conference in Bermuda and trust it will serve some useful purpose. However, I should like the Prime Minister to explain to the house why he did not follow the traditional and usual practice of naming members of all parties to this interparliamentary conference as part of the Canadian delegation, so that parliament can be completely and properly represented.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, in so far as this particular type of delegation is concerned, the course the hon. gentleman suggests has not been followed in the past. In any event, far be it from me to inject anything into this day's proceedings that might be misunderstood, but I doubt whether agreement could have been secured.

FINANCE

INTERNATIONAL MONETARY FUND—STATEMENT ON MEETING OF EXECUTIVE BOARD

On the orders of the day:

Hon. L. B. Pearson (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Finance if he has any comment to make on an observation attributed by the Canadian Press to a spokesman of the international monetary fund to the effect that the fund cannot give up its objective of having an effective par value established, that is for the Canadian dollar, in accordance with the articles of agreement.

Hon. Donald M. Fleming (Minister of Finance): Mr. Speaker, at the meeting of the executive board of the international monetary fund last Friday morning, no new undertakings or commitments were entered into on behalf of Canada.

In view of the way in which what has been involved in these discussions has been exaggerated, perhaps I should make a further explanation of just what was involved in these consultations.

This was a routine consultation under the terms of article 8 of the fund. There were previously consultations under article 14 involving countries which had not established convertibility, before they did so. When convertibility was restored, certain countries which had been under article 14, then moved under article 8 and were then in the same position as Canada. Canada had never been under article 14. The wish at that time was expressed for the continuation of such consultations because they had been found to be helpful in the past.

I may say, so far as consultations under article 8 are concerned, other countries have been parties to such consultations in the same way in which Canada was a party to the recent consultation. There was a team of experts from the fund here last autumn, and discussions at that time were fruitful. Of course I do not need to say they were very friendly indeed.

There is no difference in kind so far as Canada's relationship to the articles of the fund is concerned between what existed prior to June 20, 1961 and what has existed since. I mentioned the other day that an attempt had been made something over a decade ago, indeed two attempts, to hold the Canadian dollar in terms of a fixed relationship to the United States dollar, and that the government of the day had abandoned both those attempts because of pressures that did exist. The Canadian dollar then went to a premium in terms of the United States dollar, and that continued until last June. Since that time the Canadian dollar has been quoted at a discount in terms of the United States dollar. However, throughout this period the Canadian dollar has not been maintained at a firm, fixed relationship with the United States dollar.

Now, naturally, having regard to the terms of its articles, the fund holds out the relationship of currencies to the United States dollar as the ultimate goal. There is no question about that. But Canada has not been required to establish such a fixed relationship at this meeting, and no date has been set for further consultations on the subject. The fund recognized that Canada has been one of the fund's best supporters and that Canada has followed international policies that are in accord with the fundamental aims of the fund. It is recognized that the exchange fund of Canada has been operated, as I reported to the house on February 9, page 711 of *Hansard*, with a view to responding to and moderating market pressures. It has not driven the exchange rate in one direction or another. It has not operated aggressively. It has not been manipulated. It has not been operated in a manner to hurt the interests of other nations.

After eight months of operation under the budget policy announced on June 20, 1961, our holdings of foreign exchange in the fund are virtually unchanged. We have carried out a most successful operation with, I am sure, great benefit to the Canadian economy and without hurting the interests of other countries. The fund is aware of the balance of payments problem which the budget policy of June 20 was announced to meet. The fund is aware that Canada has enjoyed a remarkable economic recovery since that time; that its growth has kept pace with that of the United States, and at a time when the economies of other countries have been moving sidewise rather than upward. The fund is also aware, Mr. Speaker, that the balance of payments problem to which I have referred is not new.

I simply add, Mr. Speaker, that it is one that we inherited in its fundamentals from our predecessors in office.

Mr. Pearson: I wish to put a supplementary question on the minister's somewhat long and involved reply to my first question. Is it not a fact that at this meeting the members of the fund indicated they were not satisfied with the exchange policy of the Canadian government, and that they have announced there are to be periodic consultations with the Canadian government on this matter?

Mr. Fleming (Eglinton): I just said that no date had been set for further consultations. I have also said the fund has its ultimate goal, but the Canadian representatives, acting on behalf of the Canadian government, have not entered into any new undertaking or commitment. I have also stated the view of the government in that respect. However, we do not take a dogmatic view of the matter, as to what may be the ultimate optimum in that respect. We say nobody can establish what may be the ultimate optimum relationship at the present time, and I think all Canadians will realize that the beneficial policies that have been followed in that regard should be allowed to operate, and so long as they are—

Mr. Speaker: Order. I think the minister has been given ample opportunity to explain. He is now entering into the realm of opinion as to effects, and therefore debate, and should he continue it will be necessary to allow a reply. We would then enter into a debate which would be improper at this stage. Has the Leader of the Opposition something to say?

Mr. Pearson: I would like to repeat my question. Is it a fact that announcements have been made in Washington that there are to be periodic consultations with the Canadian government on this matter?

Mr. Fleming (Eglinton): I am not aware of any such announcements; and so far as the newspaper reports are concerned, I have seen three of them and they are quite at variance with each other, so I hope I will not be held responsible for those reports, or for at least one headline I have seen since in regard to it. By way of answering that particular headline I say that the Canadian government has entered into no new undertaking.

Hon. Paul Martin (Essex East): As a supplementary question, based on the minister's statement that he has seen varying newspaper reports, will the minister admit there was one opinion expressed in all these reports, and that was that there was not general satisfaction with the policy Canada has pursued in this matter, notwithstanding the able presentation of the governor of the Bank of Canada?

Mr. Fleming (Eglinton): I will say, I think for the third time now, that naturally having regard to its articles the fund wishes a fixed relationship to be maintained in respect to currencies as an ultimate goal, but as to the immediate situation the position is fully understood and fully explained. I am quite certain that subject to what I have said about the ultimate goal of the fund policy, the Canadian position is satisfactorily explained and understood. What more I can be expected to say on that I just do not know. The hon. member knows what the fund articles are, and he knows that if there has been a departure from the articles of the fund since last June, or since June, 1957, it has been the same departure in kind that he and his colleagues were responsible for in preceding years.

Mr. Pearson: May I ask the minister, is it a fact that the executive committee of the fund have expressed the view that this ultimate goal should be achieved in a matter of months?

Mr. Fleming (Eglinton): That is not my information, that it should be achieved in a matter of months. There was a discussion as to what might be reasonable in regard to the goal or what modification might be considered. It was a matter of general discussion and was not at all a matter of an indictment being levelled against Canada. I deplore the extent of exaggeration that has been created on this subject and, I regret to say, deliberately by the opposition.

Mr. Martin (Essex East): A supplementary question, Mr. Speaker. Does the minister not realize that his refusal to answer questions—

Some hon. Members: Order.

Mr. Martin (Essex East): —only adds to the disquietude which exists on this matter all over the country and in this house?

Mr. Speaker: Order. The hon. member's supplementary question is not appropriate now to the subject matter we have been discussing.

Mr. Fleming (Eglinton): Mr. Speaker, although the hon. member has spoken in a manner that is clearly out of order, he has nevertheless said something that has been heard and recorded and, with respect, in all fairness I think I should be permitted a rejoinder.

Mr. Speaker: Order. I regret to say that I am not able to form an opinion on that matter because there was a certain amount of open protest in the house when the hon. member for Essex East was speaking, and I did not hear what he said. Unless the minister thinks it is important enough to indicate what the words were, I suggest he leave the matter where it is.

Mr. Fleming (Eglinton): I have only one observation. The hon. member says that the manner in which I have dealt with this matter only adds to what he calls the disquietude existing outside Canada on this subject.

Mr. Hellyer: Certainly confusion.

Mr. Fleming (Eglinton): I would like, in fairness, to make this brief rejoinder to his remark. The position taken on behalf of Canada by the Canadian government is clear, it is strong and it is firm. It is understood outside this country, not misunderstood in the way hon. members opposite misunderstand it. I would say, in answering this suggestion that there is disquietude on this subject outside Canada created by the Canadian government, that it is unworthy and unCanadian on the part of hon. members opposite to downgrade and disparage Canada's good name abroad.

Mr. Speaker: Order. Perhaps the hon. members who are engaged in this controversy might find an appropriate time to debate it.

BOY SCOUTS ASSOCIATION

REQUEST FOR RECOGNITION OF BADEN POWELL WEEK

On the orders of the day:

Mr. W. F. Matthews (Nanaimo): Mr. Speaker, I should like to address a question to the right hon. Prime Minister. As Baden Powell week is being celebrated throughout Canada and many other democratic countries, and knowing the Prime Minister's keen interest in and admiration for the boy scout movement, would he care to extend to all scouts the good wishes of the government of Canada?

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker, I know that the house as a whole will join with me in approbation of the contribution made by the boy scout movement and by its leader and founder, General Baden Powell. It is an organization that commands support not only of Canadians and of people in all parts of the commonwealth but throughout the world. It develops in youths initiative, selflessness,

helpfulness and a brotherhood relationship, without regard to race or colour, that does much to maintain good relations and bring about good citizenship.

TRADE

CUBA—REPORTED DISCUSSION IN NATO COUNCIL

On the orders of the day:

Mr. E. J. Broome (Vancouver South): I have a question for the Prime Minister. Can the Prime Minister confirm whether or not the government of the United States is now bringing the matter of trade with Cuba before the council of NATO?

Right Hon. J. G. Diefenbaker (Prime Minister): I saw some reference to that in the press, but the information I have received is that no such matter has been brought before the council of NATO, by the United States or otherwise.

SHIPPING

NORTH SYDNEY—INQUIRY AS TO ICE BREAKING SERVICES

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): I have a question for the Minister of Transport. Is the minister aware that the Canadian National Railway Company has diverted all its ships with the exception of the *William Carson* from the port of North Sydney, supposedly on account of ice conditions, thereby creating economic difficulties for the stevedores of that port? Would the minister advise the house what icebreaking facilities have been provided to keep the port of North Sydney open during the winter months? Would he further advise the house whether any icebreakers have been diverted from the area during the past two weeks and, if not, tell us why it has not been possible to keep this port open to shipping?

Hon. Leon Balcer (Minister of Transport): I shall be pleased to make a close inquiry into the situation. I shall report tomorrow and give as full an explanation as possible to show my hon. friend and the house that the icebreaker service of the department is doing its utmost to meet the difficult weather situation in that area of the gulf.

EXTERNAL AFFAIRS

BERLIN—REPORTED INTERFERENCE WITH AIR TRAFFIC

On the orders of the day:

Mr. Arthur Smith (Calgary South): I wonder if I could ask the Prime Minister whether he would be good enough to comment on the most recent reports of interference with air traffic in the Berlin air corridors.

Right Hon. J. G. Diefenbaker (Prime Minister): I had rather expected a question on that subject.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: It is just a case, again, of government members having to take over the responsibilities of members of the opposition.

Hon. members will have seen newspaper reports about attempts made by the U.S.S.R. to reserve for its exclusive use for a limited period part of the three air corridors which lead from West Germany to West Berlin. On February 8, 9, and 12 the Soviet representative at the Berlin air safety centre was informed by his three western colleagues that such an unprecedented request could not be met, that western aircraft would continue to fly in accordance with established procedures, and that the Soviet authorities would be held fully responsible for flight safety.

On February 14 Soviet aircraft threatened the safety of western aircraft flying in the Berlin corridors in accordance with the flight rules set out in post-war agreements reached with the Soviet union. The three western powers protested to the Soviet union on February 15 about the Soviet attempts to "force changes in the established procedures" in the three air corridors to West Berlin. The Soviet union has rejected the British, United States and French notes of protest. Hon. members may be assured that Canada, in close consultation with the three western occupying powers in Berlin and our other NATO allies, is keeping a careful watch on the dangerous situation the Soviet union has attempted to create in such an irresponsible fashion.

The western occupying powers had to take a firm line on these Soviet requests, because to do otherwise would compromise the western right of free access to Berlin.

BUSINESS OF THE HOUSE

SENATE REFORM—INQUIRY AS TO INTRODUCTION OF LEGISLATION

On the orders of the day:

Mr. Frank Howard (Skeena): I wonder if I could direct a question to the Prime Minister. I have an objective interest only in this. I should like to ask when the house might expect that the measure relating to the Senate will be introduced.

Right Hon. J. G. Diefenbaker (Prime Minister): We have now reached the concluding days of the debate on the speech from the throne, and when that has been dealt with the hon. gentleman's curiosity will be satisfied.

NATIONAL DEFENCE

NORTH BAY—CONSTRUCTION OF STORAGE FOR NUCLEAR WARHEADS

On the orders of the day:

Hon. Paul Hellyer (Trinity): I should like to direct a question to the Minister of National Defence. Can he inform the house whether facilities for the storage of nuclear warheads are being constructed at North Bay?

Hon. D. S. Harkness (Minister of National Defence): This is a question which I would have to look into, Mr. Speaker, in order to give a precise answer. There were, of course, plans with regard to construction at both North Bay and La Macaza of facilities for the storage of nuclear weapons. Whether they have actually been constructed I am not in a position to say without looking into the matter.

Mr. Hellyer: I have a supplementary question. Perhaps the associate minister might have this information at his finger tips.

THE CENSUS

INQUIRY AS TO AVAILABILITY OF POPULATION FIGURES

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask the Minister of Trade and Commerce a question. Has he received from the dominion bureau of statistics the population figures from last year's census which are required by the British North America Act for the redistribution of the constituencies represented in this house?

Hon. George H. Hees (Minister of Trade and Commerce): Not yet, Mr. Speaker.

Mr. Fisher: In view of the urgency of this matter, and in view of the fact that in previous years the statistics were available by this relative time, can the minister indicate when he expects to have the figures available?

Mr. Hees: I shall be glad to get in touch with the dominion statistician and find out when these statistics will be available.

HOUSE OF COMMONS

REPORTED POLITICAL ACTIVITIES OF MEMBER FOR BURNABY-COQUITLAM

On the orders of the day:

Mr. John Drysdale (Burnaby-Richmond): I should like to direct a question to the hon. member for Kootenay West. First of all I should like to congratulate him on his elevation to his new position as house leader of his party.

Mr. Speaker: Order. I think the hon. member has gone outside the rules in directing to a private member a question not related to his responsibilities with respect to the public business of the house.

Mr. Drysdale: Mr. Speaker, those remarks were preparatory to the question I wanted to ask the hon. member. I think I am in order under section 175 of Beauchesne's fourth edition, which reads in part as follows:

> The strict rule is that no question can be put by one private member to another except on the orders of the day—

Can the hon. member indicate whether the recent intervention of the hon. member for Burnaby-Coquitlam (Mr. Regier) in British Guiana politics—

Mr. Speaker: Order.

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed, from Thursday, January 25, consideration of the motion of Mr. Rodrigue Bourdages for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. J. A. McGrath (St. John's East): May I join, Mr. Speaker, with those who have preceded me in this debate in offering congratulations to the mover and seconder of the motion for an address in reply to His Excellency's speech. Both these hon. members acquitted themselves in a most capable manner.

During the course of the remarks of my friend the hon. member for Burin-Burgeo (Mr. Carter), who spoke earlier in this debate, I could not help noticing his reference to the speech from the throne—and I paraphrase the hon. gentleman's remarks—as a Christmas stocking bulging with goodies. My hon. friend is not far from the truth. We have already seen some of the goodies in that Christmas stocking. To the 3,000 surviving members of the Newfoundland overseas forestry unit I will wager that it is the best Christmas gift they have received in a long time. To the two thirds of the population of Newfoundland resident in the Avalon peninsula of my province—I refer to the easternmost part—it has certainly been a memorable Christmas gift. For the first time they have now seen tangible results of efforts on the part of this government to provide the important easternmost part of Newfoundland with communications and transportation to the mainland of Canada. I refer, of course, to the announcement in the speech from the throne that parliament will be asked to authorize the institution of an automobile ferry service

between North Sydney, Nova Scotia and Argentia, Newfoundland, and to provide for the construction of the necessary vessel and docks.

Members of the house generally, apart from those hon. gentlemen who come from Newfoundland, are not fully aware of just exactly what this means to my province. Because of our insular position we are practically cut off from any direct communication with the mainland of Canada, except for the services provided by Trans-Canada Air Lines and to a limited extent by the C.N.R. As a consequence of this fact, Newfoundland has not been able to participate in the current boom in the tourist industry in Canada, particularly in eastern Canada. With the construction of this new vessel, for which provision has been made in the estimates for the fiscal year 1962-63, at an estimated cost of $12 million, Newfoundland for the first time will be able to build up a tourist industry which will be of no insignificant consequence to the economy of my province.

In this regard may I say that I was rather surprised, during the course of the remarks of my friend the hon. member for Burin-Burgeo, to note his reference to this matter. As found at page 162 of *Hansard* at the conclusion of his remarks, in reply to a question by the hon. member for Queens-Lunenburg (Mr. Crouse) the hon. member stated:

> In reply to my hon. friend's question, when it does materialize it will provide an extra day or two employment for the people in that area who are now working only two or three days a week.

I submit, Mr. Speaker, that my hon. friend did not give his answer very much thought. Otherwise he would not have answered as he did. I am sure that on reflection he will agree that this service will mean, in terms of real value to the eastern part of Newfoundland, a substantial tourist industry and all the things that go with it, such as tourist accommodation and the real cash that tourists bring into an area.

When my hon. friend answered the question of the hon. member for Queens-Lunenburg in the way he did I feel that he did so without thinking, or else that he was motivated by what I suspect to be narrow political partisan motives. I can put no other construction on what he said. The people of eastern Newfoundland, and particularly the people of my constituency, will not forget the fact that it was this government that inaugurated this service. I hope that not too much time will elapse before this vessel is completed and is in service between eastern Newfoundland and the mainland of Canada.

At the appropriate time I hope to have more to say on this matter. At the present time a controversy is under way in my constituency as to where the Newfoundland terminus for the new ferry service should be located. There is prevalent a school of thought in the Department of Transport which holds that the Newfoundland terminus should be located at Argentia. However, in my constituency there is an equally vocal group, which includes the municipal council of the city of St. John's and other important bodies, which is of the opinion that the Newfoundland terminus should be located at the harbour of St. John's.

I should also like to refer briefly to another matter of tremendous importance to the province of Newfoundland. I refer to the second report of what is known as the MacPherson commission, the royal commission on transportation. Among other things the report deals with a problem that has been a deterrent to Newfoundland's economic well-being for many years, and it has captured in a most imaginative way the real crux of the problems associated with the economy of Newfoundland. Commencing at page 263 of the second report of the MacPherson commission there is a section dealing with the special problems of Newfoundland, and I quote from that page as follows:

> Because of its geographical position and stage of economic development, it has peculiar transportation needs unlike the other settled parts of Canada.

I should like to quote from the latter part of the section of the report dealing with Newfoundland's special problems, in which the commissioners summarize their recommendations and conclusions and advocate special assistance to the province of Newfoundland in the construction of a network of roads to facilitate the flow of goods and ease of communication, thus helping to stabilize the economy. I quote from the last paragraph, and I do so because it summarizes much more adequately than I ever could the real needs of Newfoundland with respect to transportation and its importance to the economy of Canada's newest province and, indeed, eastern Canada generally; because the economy of Newfoundland certainly has a bearing on the Atlantic region as a whole and we are in fact their most important customer. The last paragraph on page 272 reads as follows:

> A highway network of the size necessary is beyond the present resources of Canadians in Newfoundland. The situation calls for assistance by the federal government and there are enough precedents for such a program. Public works to stimulate the economy of a province or an area have been a continuing part of national policy in Canada.

The report continues:

> For example, assistance in constructing power plants and irrigation systems as well as transportation facilities in all parts of Canada can be cited.

What canals and locks did for the economy of the central provinces, what the transcontinental railways did for the prairies, highways can do for Newfoundland. We are convinced that such a program is in the national interest. It would stimulate the economy of the island with attendant benefits to the rest of Canada. All this could be accomplished in a short time with a relatively modest outlay of public funds.

I am particularly happy to note, Mr. Speaker, that conducting the affairs of Canada today we have a government that has the vision and the foresight to implement in the main the recommendations of such an imaginative report, and I hope that before too long the federal government will take steps toward the implementation of the important and far reaching recommendations of the royal commission report, particularly those dealing with the problems of transportation in Newfoundland and their importance to the economy of the province.

I feel sure that the federal government will deal with this report in the spirit in which they have dealt with the problems of the Atlantic provinces over the last five years; because it is no secret, and I make no bones about the fact, that in the last five years this government has more than doubled the conditional and unconditional grants payable to the province of Newfoundland, and the tremendous importance of this to the economy of the province cannot be overestimated. Newfoundland, and indeed the Atlantic provinces of Canada can ill afford to go back to the fiscal policies of the previous Liberal administration, and I suggest they will not subject themselves to the folly of such a course.

I should like to deal now with a matter of grave importance to my own constituency and thousands of my constituents. I refer to the curtailment of operation by the Dominion Steel and Coal Corporation at the Wabana mines at Bell island. If the house will bear with me I should like to refer to this matter at some length. Wabana mines have been producing iron ore of low grade since 1895, and this surely makes them among the oldest working mines in Canada. The mines were first worked by the Nova Scotia Steel and Coal Company. The present operators are their successors, the Dominion Steel and Coal Corporation.

In terms of profit I suggest that the operation has been a very successful one. But, Mr. Speaker, the worth of a company or corporation cannot be measure in profit alone. Rather, the real worth must be measured by its relationship with its employees and what the company does during the course of its operations to improve the lot of its employees.

In this regard the Dominion Steel and Coal Corporation certainly has, with respect to its Wabana operations, what I would consider an unenviable reputation. Theirs has been in the main a history of exploitation. I realize that "exploitation" is a harsh word, but in my opinion it covers their behaviour most adequately. In my opinion also, and this opinion is shared by many others, the company has been guilty of gross neglect of its employees down through the years.

The population of Bell island today is approximately 14,000. It is very heavily overpopulated. The 14,000 people depend on the earning of less than 1,500. As a matter of fact, at the end of 1961 the company announced that there would be further reductions and we find now that they will only be employing 900. One would expect to find built up around a 60-year old mining operation a well established and well laid out town. That is not so on Bell island. On the contrary, everywhere you go you will find examples of gross neglect on the part of government and particularly on the part of the company. A 60-year old mining town cannot be classified as a mining camp after that period of time, but to all intents and purposes that is the way the company treats Bell island today.

For example, by virtue of the fact that the mine is located on an island, and by virtue of the nature of the operation—that is to say it, is a submarine operation—one would expect to find hospital and other facilities to cope with an emergency. This is not the case on Bell island. If an emergency were to occur underground or at the pithead, emergency measures would have to be taken to deal with the injured. In this regard, the government of the province certainly is not without fault. The provincial government and the company have done nothing, in my opinion, to remedy this most important need.

However, what I am concerned with at the moment, and what I should like to feel is the concern of the government at the moment, is the future of the Wabana mine operation. As the house is aware, Dominion Steel and Coal Corporation was taken over by a United Kingdom industrial complex known as A. V. Roe. I am sorry to say that the record of this company in Canada leaves a lot to be desired. Shortly after the take-over of Dominion Steel and Coal Corporation by A. V. Roe in 1959, the company closed down one of the three working slopes at Bell island, thereby displacing 600 men. I could speak of the way this lay-off was handled. It was handled without due regard to the human problems involved and, in my opinion, in a most inhumane way.

Following that lay-off, Bell island was declared by this government to be a labour

surplus area. We all know that, by this measure the government of Canada agrees to underwrite the cost of moving a man and his family to whatever location in Canada he can secure suitable employment. Not many of our people have taken advantage of this provision to this date. This is not difficult to understand, Mr. Speaker, particularly if one is acquainted with the nature of the people who reside in Newfoundland and the maritime provinces. These people have close family ties. They have close connections with the land they own, and they take pride in their few possessions. Because of their family attachments and their traditional roots, they find it difficult if not impossible to go to an area of Canada that is, in the main, completely foreign to them.

If I may, I should like to go back to this lay-off in 1959. It was designed, in the main, as part of an efficiency program by the new landlord, A. V. Roe. It was alleged that this so-called efficiency program was designed to place the company in a stronger position to compete. Certainly that is a legitimate ground for an efficiency program. We are not unaware of the competition the company is facing today. New ore can be produced in Africa by cheap labour, and new outlets in South America are producing ore similar to the type produced at Bell island.

This program has undoubtedly met with a certain degree of success, just as automation itself has met with success wherever it has been introduced. Certainly it has no bearing on the ability of the human being to produce. Automation is an accepted fact of life today. For example, according to figures released by Dosco, in 1958 at the Bell island mining operation it took some 2,200 men to produce 2,300,000 tons of Wabana ore; whereas in 1960, following automation, it took 1,660 men to produce 2,600,000 tons. In other words it took fewer men to produce 300,000 tons more of ore than had been produced in the two years previous. These facts are indisputable. I think everyone is prepared to accept them, and in accepting them make the necessary adjustments in economic conditions and so on.

However, Dosco's plans with respect to Wabana did not end there. At the end of last year dark clouds began to appear on the horizon. The company announced that as a consequence of a reduction in its anticipated shipments of ore, production would be lower than that for which the company had contracted. They announced that, as a result, the mine would have to close down for seven weeks. This shutdown is now in effect and I understand will remain in effect until March 19.

On December 12 a senior company official stated in a letter to the heads of the unions that because of the competition from countries with lower labour costs and new outlets in Africa and South America, and because of the cut-back in production which I referred, it was evident that shipments in 1962 would be approximately one million tons less than the 2,800,000 tons contracted for and shipped in 1961. The company announced that, as a result, it would be necessary to make substantial reductions in the Wabana work force, and on January 11 they announced there would be further reductions. The company announced that their 1962 ore shipments would be reduced by a further 300,000 tons, and that this would bring the company's production contracted for to something less than 1,500,000 tons. As a result of this further announcement the shutdown to which I referred is now in effect.

Now, you may say that the company had given warning of this. Indeed, they have sounded warnings from time to time. On December 20 the financial page of the Montreal *Gazette* carried this story under the heading "Roe Realigns Operations, Sets Sights on Exports". I quote from part of that story:

> A major announcement is expected soon of housecleaning plans in Canadians operations.

Well, it seems that we have seen the results of their housecleaning plans, plans that affect the lives of several thousands of my constituents. The story goes on:

> Dominion Steel and Coal Corporation Ltd., a major subsidiary with most of its operations in the maritimes, continues to have troubles and is not making enough money.

That is what the officials say, and it seems to be very important. That is the crux of the matter. Their profits are not high enough; and because their profits are not high enough, because they are not able to pay a big enough dividend to their shareholders, several hundred people lose their jobs at a time of year when Canada is in the midst of a seasonal recurring unemployment problem.

In addition to the new outlets which I have mentioned, in Africa and South America, outlets that produce ore much more cheaply because of low labour rates, Dosco has also been met with competition from the new outlets in Labrador and northern Quebec. Granted that these are much richer grades of ore, nevertheless they are produced by surface operations and they are having their effect on the market. As a matter of fact, in this regard one finds it very difficult to understand why the Dominion Steel and Coal Corporation uses a substantial amount of the Labrador ore in its steel plant at Sydney, Nova Scotia, much to the chagrin of labour unions at Wabana. Incidentally, on January 19 a representative

of the Iron Ore Company of Canada was reported to have made the following statement, and I quote from the St. John's *Telegram* of that date:

—Claude E. Howse disclosed Tuesday that the Dominion Steel and Coal Corporation in Sydney, Nova Scotia, is using more iron ore from the Carol (Labrador) project of his company than from Dosco's own mines on Bell island.

That is very difficult to understand in view of the difficulties we are facing at Wabana, where some 700 Dosco employees are now to be laid off. The president of the steel workers' union at Wabana, when asked to comment on this statement by the representative of the Iron Ore Company of Canada, said that were Dosco to use 100 per cent Wabana ore at their Sydney operation, as they did in the past, it would mean an extra 300,000 tons of production for the Wabana operation. However, as we have noted before, Dosco apparently are not interested in the future of employees who have been loyal to them in the past. Their first loyalty is paying a handsome dividend to their shareholders. It is estimated that 60 per cent of the requirements of the steel plant at Sydney come from the Iron Ore Company of Canada's mines in Labrador.

As a matter of fact, Mr. Speaker, as recorded at page 885 of *Hansard* for February 15, the Minister of Labour replied to a question I put him in reference to this fact, and I quote from part of the minister's statement:

The root of the Wabana mines difficulties appears to lie in loss of European markets and increased use of ore from Labrador by the Dosco plant at Sydney.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member, but his time has expired.

Mr. McGrath: I was not aware of the fact that my time had expired. However, if the house will bear with me I will not take up more than an extra 10 minutes of its time.

Mr. Deputy Speaker: Does the house give unanimous consent so that the hon. member may continue for another 10 minutes?

Some hon. Members: Agreed.

Mr. Pickersgill: I think since the time of hon. members is limited, and since the rigid limitation has been observed by every other hon. member it would be a dangerous precedent.

Mr. Deputy Speaker: I am sorry; there does not appear to be unanimous consent, so I must call on the next speaker.

Hon. Paul Martin (Essex East): Last Tuesday I sought to adjourn the house to discuss a matter of urgent and national importance. That day the Department of Labour and the dominion bureau of statistics had provided us with their monthly release showing the employment and unemployment figures in Canada, for the week ending January 13, 1962. Mr. Speaker decided that under our rules I had not made out a case for the motion and that there would be a presumed opportunity during the course of the present session of parliament to debate this matter. Mr. Speaker's expectations have proven correct. That opportunity is now open to me.

We would not be fulfilling our duty in this house if we did not consider the alarming character of the release of last Tuesday; and although we shall run the risk of incurring the displeasure of the Prime Minister and Minister of Finance when we discuss matters not of their liking, and although we shall once again be charged with being prophets of gloom, it is the responsibility and duty of an opposition, as well as of every hon. member in the house, to examine this continuing serious situation which we have had in Canada almost from the day this government took over from the previous government.

It is important for us to recall some of the salient features of the report of last Tuesday. This report indicated that employment decreased seasonally between the months of December and January, and that the estimated labour force in January was only 13,000 higher than a year earlier. This is a clear indication of the fact that our economic growth has slowed down considerably. I shall have more to say about this, but it is one of the revelations contained in the recent release.

It is further pointed out that employment declined by 218,000 to 5,864,000 between December and January, and we are told that some 476,000 of the unemployed in January were men. It is significant that in the month of January there were 545,000 people on the unemployed list in Canada, and of this number some 476,000 were men and of these 132,000 were under the age of 25 years. The release also showed that there were an estimated 69,000 women unemployed in the month of January and that 35,000 of these were under the age of 25 years. All this indicates the serious unemployment problem which exists and that has a bearing on those who are under 30 years of age. I shall have more to say about this.

In every region of Canada employment declined during the last reported period, notwithstanding the speech made last night in Montreal by the Minister of Labour and notwithstanding the prognostications and assessments of the situation made by the Minister of Finance. Employment in the Atlantic region declined by an estimated 42,000 between December and January. Unemployment in January was 14.7 per cent of the labour force, compared with 14.9 per cent

a year earlier in the Atlantic region. In the Quebec region employment declined by 62,000 between December and January; in the Ontario region employment decreased by an estimated 62,000 between December and January; in the prairie region employment decreased by 37,000 between December and January; in the Pacific region employment declined seasonally between December and January.

Mr. Speaker, the fact that 545,000 people are out of work in a work force of little more that 6 million continues to present our country with a challenging problem that is not being confronted by this government. The government takes much pleasure in the fact that unemployment in this last reported period was not as high as in the comparable period for the previous year. The fact that 545,000 people are out of work in a work force of 6 million presents this country with an alarming situation. The fact that this has continued since the time this government took office warrants our indicting this government once again for the unrealistic way in which it is tackling the problem.

There are certain comments that one would want to make about the latest release in which we are told that 545,000 Canadians are out of work, which is 132,000 more than in December, 1961. That represents a very significant rise in the unemployment rolls shared by every region in our country. As the release indicates, there were 218,000 fewer jobs than in the month of December. This means that employment declined more than seasonally, this despite the winter works program.

This fall off in the number of jobs between December and January is larger than in any year since this government took office with the exception of 1958 when there was a fall off of 230,000 jobs. I suggest that the increase in unemployment would have been much larger if it were not for the fact that there was an abnormally small growth in the labour force between January of this year and January of last year. The decline in the labour force between December and January was 186,000. This means that approximately twice the average number of people have dropped out of the labour force since this government took office. The only conclusion that can be reached is that out of sheer frustration at not being able to secure jobs people are dropping out of the labour force or are seeking jobs in other countries.

One hundred and forty two thousand workers had been seeking jobs for more than three months in January. This was 34,000 more than in the month of December. If the Canadian economy had continued to generate jobs at the same rate as it did during the last five years of Liberal administration, in January of this year there would have been 300,000 more jobs. That is the significant conclusion that the Minister of Labour forgot to underline in his remarks.

Our real concern should not only be for the high level of unemployment but, as I said a while ago, for the stoppage or the relative unprogressive character of our economic growth in Canada at this time. Compare this with a comparable period before this government came into office. From the beginning of 1946 right up until the middle of 1957, when this government took office, our total production in Canada increased at an average rate of 4.6 per cent a year. That was the real increase, after allowing for price changes, in our gross national product. This 4.6 per cent is the average that the former administration sustained over eleven and a half years.

But what has happened since 1957? I say again that our economic growth has slowed down, and no extravagant statement by the government, the Minister of Labour, the Minister of Finance or others as to what the situation is going to be in the balance of this year can conceal the fact that the indications thus far and the assessment of the situation thus far establishes that we have had almost a stoppage in our economic growth.

I wish this government would face the situation with the realism that attended the remarks of the President of the United States last Thursday, when he noted how serious was the situation. He realistically faced into the situation. What did he say? He said that the creation of jobs for young people entering the labour force in the United States, and for older workers being displaced by new technology, had put a major burden on the economy of the United States and its society. Do we hear observations like that from this government? No. We are told that everything is fine, that unemployment is going to be a thing of the past, that its policies would solve this problem. This was reflected in the speech of the Prime Minister (Mr. Diefenbaker) last Saturday night to the young Progressive Conservatives, when he said this government had laid the foundations for present economic prosperity in Canada.

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): What better example could I have than the reaction of this government at the present time to this statement? They are applauding a statement that is not in harmony with economic facts at the present time.

I say, let us examine what has happened in this country since 1957. Compare it with

the figure I gave a moment ago in connection with the economic growth of Canada under the former administration. The cold, hard truth is that our economic growth has become less than the growth of our population. Our production per person in real terms was about 4 per cent smaller in 1961 than it was in 1956. If our economic growth had continued at the 4.6 per cent average rate, in the past four and a half years we would have produced goods worth nearly $14 billion more than our actual production.

That is the fact, and let the ministry applaud that statement. The fact is that we have had bad management of our affairs; we have had a disorganization of our public affairs; we have had an unwise, an unsteady leadership; we have had a lack of sound government policy, responsibility and wise planning; and largely because of that we are confronted again, in this fourth year of this government's term of office since 1958, with an unemployment figure larger than that of any country in the western world. Then, because we dare to examine this problem, we are criticized by the government as though we were hurting our country—

Mr. Starr: You are.

Mr. Pallett: Not only by the government. Read the newspapers.

Mr. Martin (Essex East): The hon. member says "Read the newspapers". I say, read the Gallup polls. Those polls show the displeasure which the Canadian people are experiencing at this time as a result of the lack of leadership, as a result of the mismanagement of our affairs, as a result of the reluctance of this government to resort to employment policies consistent with the extravagant assurances and promises given by this administration during the course of the last federal election. If this government wants to warrant a different assessment of its conduct, let it follow the kind of leadership which the President of the United States is giving with regard to this problem—

Mr. Starr: What are they doing?

Mr. Martin (Essex East): —instead of palliatives, instead of anaemic programs such as the winter works program which, the minister said in November, would put 111,000 people to work during a limited period in the winter months. The minister said, as reported by the Ottawa *Journal* on November 15, that work was provided for 121,000 people last winter and it was expected to provide jobs for 150,000 this winter. One hundred and fifty jobs—

Mr. Starr: One hundred and fifty thousand.

Mr. Martin (Essex East): —at a time when unemployment has reached 543,000. This government, which undertook to see to it that no one would suffer as a result of unemployment—

Mr. Starr: Would the hon. member permit a question?

Mr. Martin (Essex East): When I am finished. Now we are told by this government that it has not been able to provide work even for the total number which it said it would provide for. Not only are we confronted by this serious situation, but we find that those who are out of work are continuing to be faced with the possibility that unless this government takes strong measures to boost the unemployment insurance fund there may not be sufficient moneys in that fund to enable the government to carry out its obligations to the unemployed and to those who have contractual rights in connection with that fund.

An hon. Member: Sounds like a scare campaign.

Mr. Martin (Essex East): Yes, if the hon. member wants to interpret it in that way. But does the hon. member, who comes from the Atlantic provinces where almost 15 per cent of the work force is out of work, think it is not the function of those who are in the opposition, as well as of those on his side, to bring home to the government the seriousness of the problem and the inadequate way, the anaemic way, the lethargic way in which this government continues to meet this problem?

Mr. Starr: Would the hon. member permit a question?

Mr. Martin (Essex East): At the end of my speech.

Mr. Starr: You do not want to hear some figures?

Mr. Martin (Essex East): Yes, I do, but I want to take my full time to bring home to this government—

Mr. Starr: I merely wish to give the correct figures.

Mr. Martin (Essex East): In that case, very well.

Mr. Starr: The hon. member stated that there was a rise in unemployment between December and January of some 134,000. Does he not realize that 108,000 of these are people who have been engaged in seasonable occupations?

Mr. Martin (Essex East): The minister knows perfectly well that although that may look good to the uninitiated on paper, it does not confront the problem at all. He is saying

"we have to look at the increase in employment, a modest increase". What the hon. genleman fails to do is place the emphasis where President Kennedy and those responsible for the administration of the department of labour in the United States are placing it by saying that as long as one man is out of work, that situation becomes the concern of government.

Mr. Starr: That has always been our position.

Mr. Martin (Essex East): The Minister of Labour glosses over the number who are out of work. He keeps referring to the positive aspects of the situation, limited though those positive aspects are. I say this to the Minister of Labour. In face of the fact that over half a million men and women are out of work as shown by the figures I have produced, this government, not having brought forward policies in keeping with its assurances in the last federal election, warrants, as it is going to receive just as soon as an election takes place, the condemnation of the people of Canada for allowing this social and economic problem to continue and extend year after year without taking effective action.

What policies have been brought forward by this government to deal with the situation? All it has done, in the short term, is to present us with the annual winter works program. Each year the minister makes a slight modification to that program, a revision suggested by the mayors of Canada or by members of the opposition. But the winter works program is not in itself the kind of program which will take care of our unemployment difficulties. It is not the kind of remedy that goes to the root of the problem. I have in my hands a resolution passed by the Windsor city council on August 2, 1961.

An hon. Member: Go back to 1956.

Mr. Martin (Essex East): If you go back to 1956 you will find that was a period of prosperity in Canada. You will find that that was a period when Canada enjoyed a high level of trade with other countries. You will find it was a period when Canada enjoyed high prestige among other nations of the world. I can tell the hon. member that though we cannot go back to 1956, we are soon going back to a government which created the conditions of 1956.

Here is the recommendation, a positive proposal made by the Windsor city council. It is addressed to the government and to all members of parliament in an effort to bring about a solution to the problem. I have seen no reaction by the government to this proposal. It embodies some of the things which the Leader of the Opposition in particular has been urging in this house for a number of years. I intend to read the resolution and I invite the minister, having in mind the unemployment which continues in the city of Windsor, to tell us now what this government intends to do to implement this proposal. I ask him to tell us what it intends to do about the recommendations made by Professor Bladen over a year ago, recommendations which are now in the hands of this government but in connection with which no progress at all has been made, just as no progress has been made with regard to recommendations made by other royal commissions set up for the purpose of diverting public attention from the immediate issues.

Here is the resolution:

> That the following recommendations of the greater Windsor industrial commission regarding its study of the United Kingdom local employment act 1960 and the possible application of certain of its features in Canada, be endorsed and the Canadian Federation of Mayors and Municipalities be advised accordingly:
>
> (a) That the designation "surplus manpower areas" be changed as it is negative in character to "development district" as in the United Kingdom.
>
> (b) That the government of Canada grant development districts, now called surplus manpower areas or double depreciation areas, extra allowance depreciation rather than accelerated depreciation. This could be offered for any two of the first four years, in the case of a new industry or in the case of an existing plant manufacturing a new product.
>
> (c) That the government of Canada authorize the industrial development bank to make low interest loans in development districts for periods of up to five years to industries manufacturing a new product or existing industry expanding where additional employment will be provided.
>
> (d) That the government of Canada authorize the industrial development bank to defer interest payments on such loans to industry in development districts.
>
> (e) That industries purchasing newly serviced land and erecting new premises be permitted to depreciate services such as water, sewers, roads (all local improvements) when such are included as part of the land purchased price.
>
> (f) That the government of Canada, when in their wisdom, find it necessary to establish pilot plants for the production of products not previously manufactured in Canada, and of benefit to the Canadian economy, establish them only in development districts.

Those are proposals put forward by the municipal government in a city which has had a large number of unemployed for some time, particularly since this government came into office.

Mr. Starr: Since you became a member.

Mr. Martin (Essex East): The Minister of Labour has made an interjection. Let him tell us what study the government has given to a proposal of that kind.

An hon. Member: None.

Mr. Martin (Essex East): What reply did the minister or the government give to that proposal? I ask the Minister of Labour or the Prime Minister, who is now in his seat, to produce whatever reply, if any, was ever made to the municipal corporation of the city of Windsor that joined with its industrial commission in the recommendations made. Only within the last three weeks, I was asked to raise this matter on behalf of the council, because it had not been able to get from this government any indication of whether it proposes to try to solve the problem in that area and in other areas of Canada through solutions such as those involved in the United Kingdom local improvement act of 1950.

I say it is no wonder that the council of the corporation of the city of Windsor has interested itself in this matter, and has done so unanimously. I refer to a city council made up of the representatives of all political parties represented in this house. Instead of getting from the government a positive approach we are simply told by the Prime Minister and others, "We have laid a solid foundation for economic security in this country, and we are building on this foundation; we are realizing our new vision in this way". The Minister of Labour says "Don't worry; everything is going to be well for the balance of 1962". He fails to emphasize the fact that at the present time, in terms of unemployment in Canada, everything is not well.

I do not say that this is an easy problem to solve. No one makes that suggestion. However, we are entitled to have from this government evidence of having confronted this problem in a manner consistent with the severity of its effects. We have challenges ahead of us. We have challenges facing us now. We must get this country on the move again. We must expand our economy. The government must resort to policies directed toward that objective. We must cure massive chronic unemployment in this country. We are not having from this government evidence that it realizes the necessity for doing so.

Mr. Diefenbaker: The same old needle.

Mr. Martin (Essex East): The Prime Minister says "The same old thing".

Mr. Diefenbaker: No; I said that it is the same old needle.

Mr. Martin (Essex East): The Prime Minister says—

Mr. Diefenbaker: Change the record.

Mr. Martin (Essex East): The Prime Minister says "Change the record". May I say that I was sent here, along with other members of parliament, to remind the Prime Minister that one of the things he assured the Canadian people in 1958 was that no one would suffer because of unemployment.

Mr. Diefenbaker: So long as public works were needed. I would ask the hon. member to give the quotation correctly.

Mr. Martin (Essex East): The government has not discharged that responsibility. It is my responsibility as a member of this house, particularly one who comes from an area in which there is a high level of unemployment, to remind the government of its obligations in this regard.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but I must inform him that his time has expired.

(Translation):

Hon. Pierre Sevigny (Associate Minister of National Defence): Mr. Speaker, once again, we, in this house, have had the pleasure of seeing that the hon. member for Essex East (Mr. Martin) missed his calling. He got up with this sad look on his face which he so expertly takes on whenever he speaks of unemployment, this woe-begone expression which comes to him naturally—

Mr. Martin (Essex East): That is a matter of opinion.

Mr. Sevigny: —and we have seen him riding to death his favourite subject, that of unemployment in Canada.

Mr. Speaker, I have feelings of esteem and friendship toward the hon. member for Essex East. Like other members of this house, I admire his eloquence. Indeed, were I not, like other members, aware of the facts, I would be influenced by the hon. member's eloquence. But the facts are there to prove that, far from being in a slump, the Canadian economy has now reached a level of prosperity unheard of in this nation's history since confederation.

In the eloquent speeches they made in the house, the mover and seconder of the address in reply to the speech from the throne, the hon. members for Laval (Mr. Bourdages) and for Vancouver-Kingsway (Mr. Browne), clearly stated that according to economic experts on the staff of newspapers like the *Financial Post*, the *Financial Times* and *Time* magazine, the Canadian economy is heading for new heights under the competent leadership of Prime Minister John Diefenbaker and his lieutenants.

Those magazine articles explain that surveys conducted throughout the Canadian industry reveal that the leaders of our primary and secondary industries agree that 1962 will mark

a new record of prosperity and that this boom will continue in 1963 and in the following years.

That prosperity is not merely due to chance. On the contrary, it is the direct result of the constructive action taken by the Conservative government since it came into office in 1957. If we have succeeded in converting economic recession into a period of progress and prosperity for Canada, it is precisely due to the dynamic steps taken by the Prime Minister (Mr. Diefenbaker) and the members of the government to get the Canadian economy on the move again.

If the economy today is flourishing, it is because of the increased purchasing power distributed among all the nation's families, to the advantage of each and every citizen of the country.

The present government has taken care of the aged, the disabled, the blind, and of our pensioned veterans who, even today, are still bearing the marks of their glorious deeds in the two world wars.

As far as the development of the secondary industry is concerned, the government has stimulated the productivity of our industries by enabling them to sell their products both on the domestic and the foreign markets.

Figures show that, in the year 1961 alone, with all due deference to our opponents of the Liberal and C.C.F. parties, our sales to the common market countries have increased by 16 per cent; those to Eastern Europe, by 90 per cent; those to Japan, by 38 per cent.

During the first eight months of 1961 alone, $312 million of Canadian commodities were sold to the Eastern world. We have disposed of wheat and pork surpluses and we are in the process of disposing of our milk products.

Mr. Speaker, those are positive results accomplished by the Prime Minister, by whose side I have the honour to serve, and by the Conservative government which, more than any other government, has given a good, wise and sound administration to this country so dear to us, to the Canadian nation which has done us great honor and confidence by asking us to take over the government.

A moment ago, the hon. member for Essex-East, pursuing his pet hobby, that is unemployment, was trying to tell us that the situation is worse today than it was the day before this government assumed power.

[Mr. Sevigny.]

Mr. Speaker, those statements are not based on facts. It is unfortunate that the hon. member is not now in his seat to hear what I am about to tell him.

If my hon. friend had gone over the figures of the dominion bureau of statistics, he would know that in November, 1961, 80,000 more workers were employed as compared to the corresponding month for 1960. And it is interesting to note that a group of 46,000 persons have increased the Canadian labour force during the period extending from the end of 1961 to the beginning of 1962.

This means that 126,000 workers have found jobs, thanks to the dynamic action of the leaders of the Conservative party and to the intelligent steps they have taken.

Mr. Speaker, I wish to point out other facts that, in my opinion, deserve to be mentioned. And, with supporting figures and facts, I wish to say the following words.

The statistics show, Mr. Speaker, that, during the four years from 1957 to 1961, more than 500,000 new workers tried to find work in the industries of our country. It is truly remarkable that 430,000 of them should have found work that seemed stable, even during the period of economic recession that we have just gone through.

Let us compare, Mr. Speaker, the figures for the period from 1957 to 1960 with those for the period from 1946 to 1950, the four years that followed the second world war, during which 334,000 people, and not 500,000 were added to the labour force in Canada and during which 310,000 new jobs were created in spite of the extraordinary economic prosperity that prevailed in this country. I also think it necessary to compare the figures from 1957 to 1960, with those of the period from 1951 to 1955, during which, in spite of the state of war in Korea, only 267,000 new jobs were created in Canada and 387,000 new workers were seeking employment.

Mr. Speaker, the hon. member for Essex East tried earlier today to ridicule the winter works program which was devised and worked out by this government, by resorting to irony and even trying to laugh it off. He said that it was ridiculous to glorify the fact that 111,000 new Canadian workers will find employment thanks to that program.

Mr. Speaker, it is thanks to the winter works program, which was devised and

worked out by this Conservative government, that 400,000 Canadians obtained work since the scheme was started, without taking into account the 110,000 to which the hon. member for Essex East alluded to a moment ago. Mr. Speaker, when he makes his speeches during the forthcoming election campaign, I would suggest to the hon. member for Essex East and to those, who, like himself, state that nothing was done for the Canadian economy by the Conservative government, to speak to those who have found work thanks to the winter works program and ask them the following question: "What is your opinion of that program?" The answer will perhaps surprise him.

Mr. Speaker, let the hon. member for Essex East and his fellow members in the opposition and those of the New Democratic party go and ask the Canadian municipalities their views on the winter works program, thanks to which schemes that seemed impossible to carry out under the Liberal administration, have become a magnificent reality under Conservative rule. Let the hon. member and his colleagues consider the facts, and they will realize that, thanks to the winter works program, we have brought work to 500,000 homes and allowed Canadian municipalities to carry out long-awaited projects.

Mr. Speaker, I should like the hon. members opposite and especially my Liberal friends from Quebec sitting in the opposition, to tell me how it is that, if this winter works program is as harmful as the hon. member for Essex East would like us to believe, the first move of Mr. Lesage's government when it came to power on the provincial scene in Quebec was precisely to adopt this winter works program thought out from scratch and carried out by the government of the Prime Minister, while—

Mr. Denis: Adding 40 per cent to it, because it was not adequate.

Mr. Sevigny: When we came to power, Mr. Speaker, the economy of the country was in fact in a depressed condition, which condition had been caused by the bad management and the carelessness of those who preceded us here on the government benches.

Since we took over, we have repeatedly heard in this house the laments of the hon. members opposite. We have seen them rise one after another and doom our wonderful Canadian nation to despair, dismay and almost hunger.

We have listened to them because it was our duty to do so, but while they were talking, we Conservatives were acting. In fact, as a result of the dynamic and energetic work done during these past four years, as is shown by the reports of economists, Canada has moved forward to new peaks. Under a Conservative administration and under the intelligent leadership of our leader, whom we respect and admire, we are bound to achieve the apotheosis of our great destiny.

Mr. Speaker, the Conservative government has worked as a team. We all have joined with our leader for whom we have respect, admiration and affection. True enough, we occasionally have different opinions, but we are interdependent and the decisions of the Conservative government are the result of common agreement.

And whatever our Liberal opponents and their supporters may think, the French-speaking ministers from the province of Quebec play as important a role as our English-speaking colleagues from Quebec and from the other provinces. We can express our views, and through the fair-mindedness that we all recognize in him, the Prime Minister willingly listens to us. In fact, whenever our representations are justified, we get results.

Mr. Speaker, some Liberal members take pleasure in repeating that the ministers from the province of Quebec are exceptionally weak and did not get anything for the province of Quebec since the Conservative party took over in June 1957.

To those who talk such language, whether they are actively engaged in politics as members of parliament or candidates; to those who are in the press gallery or elsewhere, and who work for our dailies or periodicals, I say this: facts are always more convincing than words.

Let us look at those facts briefly and reach the justified conclusion that the Conservatives from Quebec, the government members and members of the cabinet of the Prime Minister, have obtained more for Quebec in four years than the Liberals who preceded us during their 22 years in power.

Allow me to give you a brief outline of what has been achieved in the cultural field.

Let us take, for instance, simultaneous interpretation, the appointment of a very distinguished French-speaking Canadian to the post of governor general; the solution to the problem which faced French Canadians as a result of the national census form; the satisfactory solution of the problem of assistance to the universities, a problem which our predecessors have never managed to solve. Now, let us say a word of the progress of bilingualism in all sectors of the federal administration, of the use made by the Prime Minister and of his colleagues of bilingual stationery, of the use of the French language in the orders and instructions given to the French-speaking units of our armed forces. Let us say a word also of the introduction of bilingual cheques, which had been claimed for a long time during the Liberal administration which preceded us, but which had always been refused to French-speaking Canadians.

And I could mention many other measures to prove that national unity is very dear to the Prime Minister, that it is the very basis of his political thought. Many were the other steps taken by the Conservative ministers from the province of Quebec who are so ably supported by the French-speaking members from Quebec, to give that province its fair share, thus carrying out the promises made during the election campaigns which led the Conservative party to victory in 1957 and 1958.

The Conservative party's achievements are great in the economic field. For instance, there is the construction of new airports, new wharves, new post offices, public buildings, the Champlain bridge, to say nothing of harbour improvements which total $60 million.

We have introduced a bill for the construction of a railroad in the Gaspe peninsula. We have also undertaken negotiations for the abolition of tolls on the Jacques Cartier and Victoria bridges, a measure which has been requested for the past 30 years but which was always refused by the Liberals.

Thanks to the contracts awarded by the federal government and to the resulting subcontracts, our industries are most active.

Indeed, the government's achievements are many and great, Mr. Speaker. Few are the ridings of our province which have not enjoyed exceptional advantages because of the energetic action taken by the Conservative members and ministers of the present government.

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

Mr. Deputy Speaker: The Associate Minister of National Defence has called it one o'clock.

(Text):

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

(Translation):

Mr. Sevigny: Mr. Speaker, before we took recess at one o'clock, I was saying that within the federal cabinet, the French-speaking ministers from the province of Quebec hold a position equal to that held by their English-speaking colleagues from Quebec and all the other provinces.

It is false to contend, Mr. Speaker, that our ministers from Quebec play a secondary role within the federal cabinet. It is too often contended by Liberal friends opposite that we are left in the background and that our responsibilities do not have the importance they should have considering the place that the province of Quebec holds within confederation. Nothing is farther from the truth.

Who, among members opposite could say that the transport department ably represented by the Hon. Leon Balcer, is a second rate department? On the contrary, that department is one of the most important on the federal scene and it is surely the one that gives its minister the greatest amount of work.

The Hon. Leon Balcer has fulfilled his task with competence and dignity. All those who have had matters to settle concerning railways, aeronautics, national harbours, etc., have nothing but praise for Mr. Balcer, who has been up to the confidence he was shown.

The defence production department, led by the Hon. Raymond O'Hurley, looks after defence purchases for the whole of Canada. Because of Mr. O'Hurley's initiative, for the first time since 1939, it may be said that his department has bought more in Canada than in the United States.

To fill the post of Secretary of State and chairman of the privy council, we have a lawyer of national repute, a great speaker

and a great patriot. Thanks to Mr. Noel Dorion's efforts, it can be said that bilingualism has made giant strides throughout Canada.

Who, among the opposition or elsewhere, could say that there exists in Canada a more important function than that of looking after the development of our mining resources and the improvement of technical surveys? At the head of this most important department, the Prime Minister has placed the Hon. Jacques Flynn, a lawyer of great renown who is also a great speaker, and who has won the admiration of all those who know him.

Mr. Speaker, the Department of National Defence alone spends 30 per cent of the public funds. Two ministers share the task of administering the affairs of this department. I will not claim like our friends of the opposition who profess to know all there is to know about everything—that I have become an authority on all matters related to national defence, but, after listening to the criticism made by the opposition and the new party during the debate on the department's estimates toward the end of the last session, I can state, in all modesty, that I am ready to discuss this question on any husting, on radio or television, with any critic of the official opposition. I think that I could easily show that the Conservative government has given Canada a wise and efficient defence policy.

Yes, Mr. Speaker, as I said at the outset of my remarks, facts talk louder than words. And we have facts to prove that during four years in office, the French-speaking ministers from the province of Quebec have achieved more for the cause of French Canada and for the province of Quebec than the so-called supermen of the Liberal party during the 22 years they sat on cabinet benches.

I have feelings of esteem and friendship for our predecessors on the cabinet benches who were ministers in the Mackenzie King and St. Laurent administrations. I would not want to offend or insult them by useless words, but I think I can say that men such as Leon Balcer, Raymond O'Hurley, Noel Dorion and Jacques Flynn also have ability and have proven that they can be compared in every respect to men such as Pinard, Côté, Lapointe and Chevrier—

An hon. Member: Do not forget Lesage.

Mr. Sevigny: —who sat on cabinet benches under a Liberal administration, and I include in that list the name of the present premier of the province of Quebec, the Hon. Jean Lesage.

Indeed, Mr. Speaker, the ministers from the province of Quebec have shown themselves worthy of the confidence placed in them by the people of our province. They came here, in Ottawa, fully conscious of the importance of the mandate entrusted to them by their electors. When they first came here, they were perhaps somewhat ignorant of parliamentary procedure and, at times, they may have been awkward. But they learned, Mr. Speaker, and, having learned, they took action. They will be proud now to display their achievements before the people, and since the people's court is always fair, they will be given their due and the Conservative party will be returned to power with an overwhelming majority after the next election.

Mr. Speaker, the hon. member for Essex East stated a while ago, as it is his duty to do, that he does not endorse the government's economic policies. Moreover, as he and those around him usually do, he came back again on his favourite subject of lament, the question of unemployment, and he repeated the same old stories we have heard on several instances in the house.

We cannot blame him. No, truly, we cannot blame him, Mr. Speaker, because as he pointed out himself, under our parliamentary system, it is the duty of the opposition to criticize the government. However, he keeps on harping on the same subject, as if he had nothing else to say.

If we were to fall for his eloquence and his persuasive arguments, perhaps we would be convinced. But facts are there to prove that we did take action, that we did give Canada the administration it needed to come out of the recession. The facts are there to prove that Canada is heading for the highest economic destiny under the able leadership of John Diefenbaker and the Conservative party.

(Text):

Mr. Winch: Mr. Speaker, I should like to ask a question of the previous speaker.

Mr. Deputy Speaker: The previous speaker's time has just expired; therefore unless there is unanimous consent he cannot answer the question.

Some hon. Members: Carry on.

Mr. Deputy Speaker: Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Deputy Speaker: There does not seem to be unanimous consent.

Mr. Denis: You are afraid.

Mr. Pigeon: No, sir.

Mr. Sevigny: Mr. Speaker, I shall be delighted to answer the question the hon. member wishes to ask.

Mr. Deputy Speaker: As there now appears to be unanimous consent I would ask the hon. member for Vancouver East to ask the question.

Mr. Winch: In view of the remarks of the previous speaker I should like to ask him, in his position as Associate Minister of National Defence, whether there has been a decision on nuclear weapons in Canada or beyond.

Mr. Sevigny: Mr. Speaker, this question has been asked repeatedly by hon. members of the opposition during the last few days and before that. I have nothing to add to what has already been said on this matter by those to whom the questions have been directed.

Mr. Winch: No answer.

Mr. Pigeon: Ask Mr. Argue.

(Translation):

Mr. H. J. Michaud (Kent, N.B.): Mr. Speaker, it is with deep emotion that I rise today to pay tribute to the man who for 13 consecutive years represented my riding in this house, the late Senator Aurele D. Leger who passed on last December 28. No one knows more than I do how much he deserved the testimonies of appreciation and sympathy which have been given since his passing. Never did he fail to give me his wise advice when I sought his opinion. He was always a sincere friend to me and can never be replaced.

A loyal and convinced politician, the late Senator Leger will not be forgotten by the people of the riding of Kent whom he served generously for many years and by all those who knew him.

[Mr. Winch.]

In this respect, may I now quote a few lines from an article published on the day following his death in *L'Evangeline*, the national daily newspaper of the Acadians:

> Senator Leger was actively concerned with the interests of his county. When he was a member, he dealt with all the problems submitted to him by his constituents.
>
> He was a man of high standards who had only friends, even among his political opponents.
>
> He took an active interest in all aspects of the Acadian cause and, in Ottawa, where he performed his task in a discrete and steadfast way, he was the spokesman of all the Acadian people.

Mr. Speaker, the crowd which attended Senator Leger to his last resting place on the day of his funeral, including many prominent citizens from all parts of the country, was a silent but moving tribute which showed the very high esteem in which the deceased was held.

In the name of the constituents of the county of Kent, in the name of his friends and in my own name, I offer our deepest feelings of sympathy to the widow and the family of the regretted Senator Aurele Leger. May God, who has called him back, reward him for the good he has done by granting him everlasting life.

Mr. Speaker, I should like to stress a point in the course of this debate: unemployment insurance for fishermen. In order, no doubt, to test public opinion on the matter, the merits of unemployment insurance allowances to our fishermen have been questioned for some time, as we have noticed.

I do not know what are the real motives behind this stand, but I say it would be unfair to attempt to deprive of this social security measure as deserving a sector of our population as that of our fishermen.

I also want to take violent exception to the other measure, concerning help to Newfoundland fishermen, which the government recently adopted, but neglected to apply to the fishermen of my own area, although they needed it more than anybody.

The fishermen of my constituency, in particular, had a very bad year in 1961. They could have taken advantage of a measure similar to the one adopted for Newfoundland fishermen. A bare majority of them were eligible to the benefits of the seasonal unemployment insurance plan. Consequently, you can imagine the plight of those fishermen at this time, if they did not get their insurance benefits.

On top of that, we should not now consider depriving them of the benefits of unemployment insurance. That would be a discriminatory measure toward those people

who, very often at the risk of their own lives, embark upon perilous adventures in the hope of making a catch which represents the daily bread of their families.

Before entertaining such unjustifiable intentions towards those fishermen, we should consider providing them with other means of subsistance than the meagre ones which they now have at their disposal. The unemployment insurance act for fishermen is a measure introduced by the former Liberal government to supplement the lack of revenue of small fishermen. It would be inconceivable to now think of abolishing it.

(Text):

Mr. Speaker, it has been said that the speech from the throne was more remarkable for what it did not say than for what it actually revealed. What is essentially the main economic problem of today, namely unemployment, was virtually ignored.

The question of unemployment as applied to the maritime provinces is of particular significance. We cannot ignore the fact that economic conditions in those provinces as compared with the national picture reveal a situation which is twice as severe as it is in the most prosperous areas of the country. It is a problem which arouses the concern of every public minded maritimer. Public bodies as a whole are giving this matter their intense attention and thorough study.

I should like at this time to make a few observations derived from a study made on this matter by the Atlantic provinces economic council, commonly known as APEC. In the maritime provinces since 1940 personal income per capita has been about 70 per cent of personal income per capita in all Canada. What are the major economic factors, therefore, which cause the differentials between the Atlantic provinces and Canada as a whole? One important factor is the participation of persons of working age in the labour force. In the maritime provinces about 50 per cent of the total population of 14 years of age and over participate in gainful employment. In Newfoundland the labour force participation rate is about 45 per cent. In all Canada it is about 55 per cent, while in Ontario the rate is approximately 57 per cent. The slower pace of development in the Atlantic provinces is the factor which causes the lower rate of labour force participation, and at the same time this low rate is a factor helping to produce a lower per capita income.

Furthermore, no account has ever been taken of unemployment among self-employed persons in the Atlantic provinces. Relatively high unemployment is usually considered to be characteristic of such occupations as farming, fishing and logging. Because these occupations are proportionally more important in the Atlantic region, any so-called unemployment assessment is probably an understatement. Seasonal unemployment is a problem in Canada, but nowhere in the country is it a greater problem than in the Atlantic provinces.

What are now the main causes for this situation? The first cause is a lack of investment. Investment, it should be noted, performs at least two very important functions. First, during the construction process investment is responsible for generating employment and income. Second, when construction is completed investment spending has provided a stock of capital goods to assist management and labour in the production of more goods and services. As applied to the Atlantic provinces, during the 1949-58 period, new investment per capita in fixed capital assets was only 57 per cent of the total new investment per capita figure in Canada as a whole. During the same period new business investment amounted to about one half of total new investment in the Atlantic provinces, as compared with 61 per cent in Canada as a whole.

It must be emphasized that new investment has greater ability to directly provide continuing employment. On the other hand, investment by government departments, investment in housing and investment in various institutional projects has a relatively low ability to provide employment directly once construction has been completed. Non-business investment accounted for nearly half the total new investment in the Atlantic provinces during the 1949-58 period, as compared to 39 per cent in all Canada. Thus not only is per capita investment relatively low in the Atlantic region, but total investment is directed to a greater extent to those sectors where the ability to provide continuing employment is limited.

From APEC studies it has become apparent that levels of income are lower in the Atlantic provinces because fewer persons of working age seek work, because unemployment among those who do enter the labour force is higher, and because investment is lower than in other parts of Canada. Moreover the rate of earning is lower, largely because a greater proportion of the labour force is engaged in low-productivity occupations relative to the rest of Canada.

We must now inquire more fully, continues this APEC study, into the nature and structure of the regional economy in order to locate the underlying causes of this situation. The three primary occupations of farming, fishing and logging have traditionally played an important and complementary role in the

economy of the maritime provinces. In spite of declining employment in these three groups of industries they continue to maintain a relatively high proportion of subsistence workers. This was described in the Gordon report as one of the most striking features of the economy of the Atlantic provinces. The report then suggested that the proportionally large number of subsistence workers is an important reason for the region's low income levels. The situation obviously, then, is closely related to the lag in economic growth.

In view of the nature of the markets which are likely to prevail for food products, we expect our agricultural output to expand. However, it is likely that the increased output of farm products will be accomplished by that part of the industry which has adopted the larger size of operation, a higher degree of mechanization and increased productivity. This means that labour which is no longer required must move to other occupations, or become congested in subsistence farming areas, or both.

Owing to the present subsistence character of much primary logging and saw milling activity, there is little long term prospect of any substantial increase in employment opportunities in the lumbering industry. Expanded output will likely be accomplished, as in agriculture, by improved efficiency and productivity resulting from heavier capitalization and larger size of operations. This will result in a continuing exodus of lumber workers from primary operations, accompanied by the retention of considerable subsistence characteristics.

The fish and fish processing industry occupies an important position in the economy. A significant trend during the post-war period has been concentration of activity in fewer ports, accompanied by the building of modern fishing vessels and processing plants. It is suggested that the sections of the industry which have made this adjustment have created a firm foundation for continued growth and prosperity. Unfortunately the entire industry has not been able to make the adjustment, and there remain areas of subsistence operations where productivity is extremely low. In view of these factors it is difficult to foresee any reversal of a recent trend toward a declining labour force in the fish and fish processing industries.

It is therefore indicated that labour has been displaced from the agriculture, lumber and wood using, and fish and fish processing industries. Employment must therefore be found for these displacements. So far indications point to the fact that it is the construction industry and the service trades which have performed the function of absorption. Total employment in the industrial sectors referred to has dropped by about 40,000 since 1949, but only about 14,000 new jobs have been created in construction in the Atlantic provinces during the same period.

We cannot look to the construction industry to absorb an ever increasing number of workers. It is true that in the years ahead a vigorous expansion of the service industries can be foreseen. It is forecast that employment in Canada will have more than doubled by 1980, and the Atlantic provinces will share in this general increase. However, if some shift of Canadian industrial development to the Atlantic provinces does not take place, the rate of employment growth in the service industries is likely to be correspondingly less pronounced in this region.

Employment now in resource based manufacturing has grown more rapidly since 1949 in the central provinces, the prairie provinces and in British Columbia than it has in the Atlantic provinces. In the Atlantic provinces the increase in the number of workers in resource based manufacturing industries was 2 per cent higher in 1957 than in 1949; in the central provinces it was up by 15 per cent, in the prairie provinces by 32 per cent and in British Columbia by 27 per cent. In spite of the advances made in resource based manufacturing industries in the Atlantic provinces, these industries were not successful in opening employment opportunities to the extent that this has occurred in other regions.

Neither have the Atlantic provinces been successful in expanding non-resource based manufacturing in order to provide substantial new employment. Between 1949 and 1957 secondary manufacturing employment rose by 17 per cent in the prairie provinces, by 18 per cent in the central provinces, by 28 per cent in British Columbia but only by 1 per cent in the Atlantic provinces.

To summarize, may I say this. Chronic unemployment persists in our region. Growth of output is indicated in many of the resource based industries, but their ability to absorb labour is low, and in certain industries like coal mining, agriculture and lumbering, employment has been and still is declining. The expansion of secondary manufacturing has been slow, and few new employment opportunities have been created The service industries will continue to expand but at what rate is uncertain. The outlook is for lack of job opportunities for our people or a waste of our nation's manpower resources.

One of the great challenges for Canada is to find a way in which to attain a better balance in economic development among the several regions which constitute the nation. This is essentially a national problem, and

it should be attacked in its national context. We believe that the people of the Atlantic provinces have the enterprise and the initiative with which to achieve a higher standard of living, but they need the active support of all Canadians.

Mr. Speaker, this study made by the Atlantic provinces economic council commands the sympathetic consideration of all those who are interested in the welfare of the maritime provinces. It is obvious that drastic measures must be undertaken to raise the economic standards existing in the maritime provinces to the same standard levels as those which exist in other parts of the country.

Besides the suggestions already embodied in the study made by APEC there is one main project which is constantly alive at the present time in the minds of all maritimers. I have referred in the past to the construction of the Chignecto canal. I wish to repeat at the present time, and with the same emphasis, what I have already said on this subject in this house on a previous occasion, as found at page 1458 of *Hansard* of 1961:

> In the field of transportation, we in the Atlantic region continue to stress the necessity of the Chignecto canal project as a national extension of the St. Lawrence seaway. Without it the impact of the seaway on the maritime region may well be adverse. Now that the federal government has the benefit of the views of the new Minister of Forestry, who always was such a strong promoter of this project, perhaps we can look with greater confidence to its early commencement.

The undertaking of the project would also provide a wide field of local employment to our working force, as well as fostering the development and expansion of our commercial and industrial life.

Mr. Speaker, on the eve of the opening of what was generally assumed to be the last session of the twenty fourth parliament, the Prime Minister was expected to announce a policy of national investment in the Atlantic region on a scale calculated to end, once and for all, the grievous disabilities suffered there since confederation. It would have caused relief and rejoicing throughout the four Atlantic provinces and would have been welcomed throughout Canada as a bold and honourable settlement of a just debt which would have turned out to be a highly profitable national investment.

Unfortunately, however, nothing of that nature was contained in the speech from the throne. One therefore wonders what has happened to the main resolutions adopted by the Progressive Conservative candidates on the eve of the 1957 election and endorsed by the present Prime Minister. What are the Progressive Conservative candidates from the Atlantic region, who are representing over three quarters of the electoral district in that region, expecting to do in this regard? What are they expecting to do particularly with regard to the three resolutions which I should like to quote at this time:

> 1. A national development program of federal assistance for developing the resources of the Atlantic provinces, having regard to their differing needs and varying financial capabilities.
> 2. Industrial decentralization, by placing a more equitable share of defence contract expenditures within the Atlantic provinces; by the establishment of crown corporations; and by encouraging private enterprises to locate in the area; and by encouraging the processing here of our natural resources as a result of special fiscal consideration.
> 3. Capital projects program, to provide federal capital assistance for provincial projects to enlarge the basic economy of the area.

At this late date one can but conclude that these resolutions only represent further broken promises made by the Conservative party during the last two general elections. Can there be any doubt that it would be better for Canada's economy to invest on a great scale in the creation of lasting assets in order to vitalize the Atlantic economy, rather than to continue to pay hundreds of millions of dollars just to keep us alive?

In conclusion, Mr. Speaker, I should like to quote what Professor Smith, president of APEC, has to say in this respect:

> Let us spend more money in those new and permanent installations that will create jobs in the Atlantic provinces, so that less, much less be spent in the future, on such items that simply help to maintain incomes, but do little, or nothing to solve the basic economic problems.

And from another source:

> You have got to have subsidies and unemployment payments if you have disastrously low income standards and unemployment. But they should only be for short terms. Compare this with the lasting benefits of growth investment. Our recommendations are for designed complexes of growth industries, which can hold their own with the major concentrations in southeastern England.

Mr. George Chatterton (Esquimalt-Saanich): It is with humility, Mr. Speaker, that I rise to speak from a place once occupied by an eminent Canadian, namely General George R. Pearkes, V.C. I am sure all hon. members will be pleased to hear that His Honour, with the help of his lady, is fulfilling the office of lieutenant governor of British Columbia with the acclaim and admiration of all.

I congratulate the mover and seconder of the address in reply to the speech from the throne. I have read other such speeches, but this is the first time I have heard them in person, and I was favourably impressed. I offer congratulations to the hon. member for Bellechasse on his appointment as president of the privy council; to the hon. member for Quebec South on his appointment as Minister of Mines and Technical Surveys; to you, Mr. Deputy Speaker, and to the parliamentary

secretaries and others who have been elevated. I express my joy in seeing our Speaker in good health and my satisfaction in knowing that the proceedings of this house will be guided by his firm impartiality.

Every member of the house is proud of certain things in his riding. There is one aspect of my riding of Esquimalt-Saanich which is rather unique. I refer to our mild climate. I have here a clipping from a Victoria newspaper which circulates in my riding.

Mr. Winch: Is the hon. member suggesting that the House of Commons has any control over the climate of Canada?

Mr. Chatterton: I did not hear the hon. member well, so I do not understand what he said. The clipping is from the issue of January 30, and it contains a picture of the crocuses and other flowers. I mention this not in boastfulness but because there is a connection between the climate of my riding and certain items contained in the speech from the throne. Because of the salubrious climate many fine people from elsewhere in Canada and from other parts of the world come to settle there, and in particular many of our senior citizens come there to enjoy the advantages of the area. I am therefore very pleased with the increase of $10 in payments to old age security recipients, effective as of February 1 last.

I made the few notes I have, Mr. Speaker, before the debate on the speech from the throne was interrupted by certain important measures. Since then I have listened to the debates carefully, particularly with regard to the question of pensions. I was very impressed with the Prime Minister's speech on February 8, a speech that I like to look upon in my own mind as the "horns of the dilemma" speech. At that time the Prime Minister pointed out that social security payments had increased from $1.3 billion in 1956-57 to $2.3 billion in 1961-62. He also pointed out that increases in payments of all kinds to the provinces and to provincial institutions had increased from $689 million in 1956-57 to approximately $1.47 billion in 1961-62. Incidentally, Mr. Speaker, these increases in payments to the provinces could have been used by the provinces to relieve the municipalities and the property taxpayers. I know that in the case of British Columbia this unfortunately was not done.

Reverting to the Prime Minister's speech on February 8, I would point out that he put a question to the Leader of the Opposition. The question was this. Which of these measures, payments in respect of which increased from 1956-57 to 1961-62 by something in the order of $1¾ billion, would the opposition have eliminated? It was a clear question. I have heard equivocation, I have heard aspersions, but I have heard no answer in spite of the fact that the official opposition supposedly has all the answers. I heard many references to election promises and, Mr. Speaker, that brings me to a quotation from an editorial in the Victoria daily *Colonist* of January 31, 1962. The editorial is headed "The Growing List", and reads as follows:

> It was just a little more than three months ago in Victoria that Mr. Lester Pearson made his now famous "no-promises" speech which was hailed by his followers as the introduction of a new and courageous Liberal party policy. It was then that Mr. Pearson bravely declared that his party would in future devote itself to planning practical and progressive action rather than "planning by irresponsible promises which . . . cannot be carried out."
>
> Unkindly perhaps, but naturally, it was noted at the time of this revolutionary approach to election campaigning by the national Liberal leader that his party had already committed itself to an impressive list of promises—promises, to mention a few, ranging from a reduction in income tax to the institution of a free national health plan, from guarantees of full employment to the underwriting of low rental housing, from increasing veterans pensions to giving financial assistance to power, transport and other economic developments —all without cost to the taxpayer.
>
> Many Canadians took Mr. Pearson at his word to generously overlook these earlier pledges, satisfied perhaps that, as the Liberal party had already saturated the field of promises, its leader could now safely promise that there would be no further promises. On the face of things there did, indeed, appear to be nothing left to promise.
>
> But, as was quickly proven, any thoughts along these lines failed to show an appreciation of the ingeniousness of Mr. Pearson and his cohorts, for, incredible though it may seem, the list of Liberal promises is still growing. So expert have they become in the science of making pledges that they have extended their operations to take in regional levels on a selective promise basis. This newest phase was explained Sunday in some detail by Maurice Sauve, the Liberal party's Quebec public relations director.
>
> In briefing the Liberal national campaign committee in Ottawa he told them that Liberal workers must get about the ridings and find out what people want. There was no use promising bridges if they wanted hospitals, he said. Thus it would appear that even though the Liberals have run out of national promises they still have the parishes to work on. What price Mr. Pearson's promise not to promise now? Or don't the little ones count?

That will take care of the question of election promises so often referred to by hon. members opposite.

My area also has a very large percentage of veterans, particularly older veterans and veterans with war disabilities. As a tribute to those veterans, and particularly to those who are handicapped by virtue of their war disabilities, I should like to mention the name of one as representing all the veterans who have war disabilities. I refer to one of my constituents by the name of John Windsor. He was wounded and blinded in the Melfa

river battle where Canadian troops distinguished themselves. This constituent has just written a book called "Blind Date", and it gives me pleasure to read the foreword to his book by Major General Hon. George R. Pearkes, V.C., C.B., D.S.O., M.C., lieutenant governor of British Columbia. This is what General Pearkes says in his foreword:

> I am very glad John Windsor has told his story. He was a popular cadet at the Royal Military College and a promising junior officer in Lord Strathcona's Horse (Royal Canadians).
>
> His writing combines a unique style of drama and humour. It is a Canadian saga, told simply with great restraint. The result is vivid and moving; a truly remarkable piece of writing.
>
> All his friends in Canada and England will be pleased, I am sure, that John has given this book to us from his generation.

I expect that the book will soon be in the library of parliament, and I commend it to all members of the house as a great effort by a blind Canadian veteran.

So far as veterans are concerned, the Prime Minister has made it clear on many occasions through many means that we shall never forget those who fought for their country, and those who were bereaved in the effort. It is therefore no surprise to see in the throne speech recognition of these worthy citizens. I note with satisfaction that the effective dates of the War Services Grants Act, the Veterans Land Act and others are to be extended. I suggest to the government that these statutory deadlines in these pieces of legislation create certain anomalies and inequities. When the time comes—we have until 1968—I shall make further representations on that score. We know that this type of legislation benefits not only the veterans but benefits Canada as a whole.

Having had considerable experience in the administration of veterans legislation I should like to make one or two suggestions. The resolution with regard to the Veterans Land Act has not been brought before the house as yet, and although it is indicated in the throne speech that the deadline will be extended, there is no reference to the further changes to be made. I hope there will be certain improvement, particularly to the Veterans Land Act. I point out to the government that the present $10,000 limit in parts 1 and 3 of the Veterans Land Act is not as realistic now as it was a few years ago. In addition, the $10,000 limit on advances under part 2 of the Veterans Land Act is inadequate and should be increased to the amount of the loan, as is the case under the National Housing Act.

I suggest also that, having a precedent where veterans who were not Canadians have received certain benefits even though they did not normally live here before the war, the government should give consideration to extending part II of the Veterans Land Act to veterans of our allies who did not normally live here before the war. This feature does not involve any direct monetary subsidy, but it does encourage self-help. I know there are large numbers of allied veterans who would be very happy to be made eligible under part II of the Veterans Land Act.

Our senior citizens and our veterans, Mr. Speaker, have received some attention in the throne speech. However, there is another group of Canadians who I think are worthy of some attention. I refer to ex-civil servants and ex-armed forces personnel who were superannuated some years ago. I know that about four years ago this government introduced an adjustment in pensions which affected many of these people. I do believe, however, that many of them are suffering hardship. I know this government cannot do everything in five years, especially all that was left undone in 22 years, but I think these people may deserve further consideration from our government. I feel that in time this will be done.

The throne speech refers to some of Canada's activities in the international field. I am particularly impressed with the reiteration of the traditional policy of this government toward strengthening the commonwealth as an instrument of peace and freedom. It was most distasteful, Mr. Speaker, to hear members on the opposite side attempt to discredit the performance, as it were, of Canada in the international scene, to cast reflections and belittle the efforts of our Secretary of State for External Affairs. However, the rebuttal made by the Minister of Finance on January 24 and by the Minister of Veterans Affairs the next day was like a fresh breeze blowing over waters muddied by the opposition. I am sure Canadians as a whole will accept their version of our position in international affairs.

Vast distances and many differences lie between the island of Newfoundland and Vancouver island. I think, though, that the islands of Canada have at least one factor in common, that is a feeling almost akin to isolation and sometimes neglect. I am glad, therefore, for the people of Newfoundland and Nova Scotia when I see they will be receiving an automobile ferry service provided by the federal government. There are many people on Vancouver island who feel that under terms of confederation the federal government has a certain responsibility for providing transportation between the mainland and Vancouver island. I hope that this precedent on the Atlantic coast may in time be applicable on the Pacific coast.

I must say, too, that many people in British Columbia are not aware of the fact that this government does in fact pay a subsidy toward transportation across the straits of Georgia. This is in the form of a 40 per cent subsidy applied to the construction cost of the two ferries already built which service this strait and the two new ones under construction. There will be others. In effect, therefore, this government does contribute something toward transportation in that area.

More and more, Mr. Speaker, this is becoming an age of technology where higher education, technical and vocational proficiency are important. Our government is already contributing generously in these fields, but the proposed increase of some 33 per cent in grants to universities is timely and far sighted. This assistance will be particularly welcome to the University of Victoria. This institution had an enviable record as the former Victoria college, but is now a full fledged, degree granting university which is expanding at the phenomenal rate of something like 400 pupils per annum. I know this university will welcome this additional assistance, particularly in view of the fact that certain assistance from the province was withdrawn from that institution this year.

The throne speech mentions acreage payments, and that matter has been dealt with by the house. This does not affect my riding, but it does indicate the attitude of this government toward the farmers of Canada. My own riding contains a large percentage of small farmers. The Farm Credit Act, itself an excellent piece of legislation, is very helpful, too. However, I estimate that some 75 per cent of the farmers in my riding could not qualify for assistance under this act. I think in due course the government, with its usual concern for the farmers, will give some thought to some assistance to these smaller farmers who cannot qualify for assistance under the Farm Credit Act.

In spite of the gloom and doom so generously spread by certain people there is a feeling of optimism in my riding, where the future promises much as a result of the positive measures taken by this government. Industries are expanding, and although I must admit that the present employment situation in H.M.C. *Dockyard* is not too good, the fact is that the shipbuilding industry is expanding. The future in that regard is very promising, largely as a result of the subsidies introduced by this government.

Because of the federal assistance given under the winter works program for sewage works and so on, municipalities, particularly the municipality of Saanich, are undertaking worthwhile projects which otherwise might have been left undone. But in spite of this glowing picture there is one group in my riding who face the future with some concern. I refer to the commercial fishermen. Although the government has enacted certain measures to assist commercial fishermen, I believe some consideration might be given to more research and experimentation in connection with the preservation and restoration of the resources in the sea, and to an investigation into some means for better distribution of this crop amongst those who harvest it.

There is a general upsurge of economic activity in my riding and it is gratifying to note the references in the throne speech to extending the expansionist measures already undertaken by our government. In this regard I quote two headlines from the Victoria daily *Colonist*. The first appeared on January 13, 1962, and read "Victoria port business soars to all time high." No doubt that is largely due to the exports which have been promoted by the government. The other headline from the daily *Colonist* of January 6, 1962, reads: "More people working than in past decade." Judging by the previous reaction of members opposite to suggestions of good tidings, no doubt they will bring out their brushes dripping with black colour paints but I believe the mass of Canadians have a greater insight into this government's accomplishments and will so indicate at the appropriate time.

Mr. Frank Howard (Skeena): Now that we are back on the throne speech we can engage in discussion on a variety of things. It affords members an opportunity to do substantially what the hon. member for Esquimalt-Saanich just did, and affords them an opportunity to talk about particular matters that may have arisen even within the last few hours. For my part I would like to reiterate, as I did in past sessions, a thought or thoughts concerning parliament itself. I do not attempt to say this out of any desire to degrade parliament or anybody in it, but I believe parliament as an institution is more of a dictatorship than it is a democratic institution.

Over quite a number of years there has been a growth in the strengthening and popularizing of the party system. Because of this development of the party system, more rigid control and authority is placed in the hands of a cabinet than was originally conceived many years ago when the thought of responsible government first came to the attention of our forefathers. We have a great desire to express our differences of opinion behind closed doors in caucus, and that is especially so on the government side. In making that statement I am not applying it to

this particular government. When I say "government side" I mean whatever government happens to be in office, whether here or in any of the provinces under the party system, and the result of that tendency is an unfortunate decline in the role of the individual member.

On practically all issues, crucial or otherwise, we find that party lines are drawn. We find it an accepted fact that a person considers he must vote with his party in any division or vote called in the house. It is the exception which proves this. Just the other day we had a vote with respect to a certain subject matter relating to papers, at which time one hon. member broke ranks and voted according to his individual feelings. I commend him for that action and I believe there should be more of it. Without it we promote the party system and enhance the control which cabinet and government already have over parliament, while at the same time we discuss less and less the opinions of individual members. Thus parliament becomes more dictatorial.

On traditional occasions such as this when hon. members make formal speeches we find that on the government side they start off by commending the government for all the sunshine and blaming the opposition for all the rain. On the opposition side we find the tendency is to do just the opposite. While this may occasionally produce some fun and laughter I do not believe it adds a very great deal to what we are attempting to do in parliament itself.

Mr. Pigeon: Do you refer to Mr. Argue?

Mr. Howard: I see my mouthy Union Nationale friend taking the floor, using his traditional approach of sitting and exercising his vocal cords. If my hon. friend would listen, and pay attention in the same way as I do to speakers from the other side, he would know that I have already said that I do not think this is the fault of any one party or any one government. It is an unfortunate growth which has developed over the years, but the solution to it can come about very easily and simply. It only requires a prime minister with a degree of courage and a desire to see parliament function to its fullest possible extent, a prime minister who, by a mere statement, will indicate to parliament that so far as the government is concerned it is not going to require its backbenchers to continue to operate as mere ciphers and vote on each issue that comes before parliament as though it were a complete party issue.

Mr. Grafftey: This is the anarchy wing of the N.D.P.

Mr. Howard: I should like to see that day arrive nor does it particularly matter whether it starts in any of the provinces. The provincial governments are equally guilty in following this practice. Mr. Speaker, I try my best to hear most of these usually inane comments from the other side, but oft times I miss them. I wish hon. members, if they want to interject, would do so in a proper fashion. I know many of them enjoy doing it, not for the purpose of contributing anything sensible to the debate but just to speak closely to the ear of the *Hansard* reporter, in order that what these hon. members consider to be their bright comments appear on the record.

I should like to deal with the all-important question of the need for a health plan in Canada providing coverage on a prepaid basis to the people of this nation to ensure that their illnesses will be treated expeditiously, and to ensure that they will not have to fret and worry about the wherewithal to pay doctors' and other bills when illness does strike. I am sure we all remember the glowing terms in which the Prime Minister some years ago referred to what he would do if he got into office, even with respect to the half way measure which we have in the Hospital Insurance and Diagnostic Services Act. One of the bad cheques which the Prime Minister wrote related to the inclusion of tubercular sanatoria under that act. Another referred to the inclusion of mental hospitals, and another related to including in the formula for payment from the federal treasury to the provinces an amount taking into account the depreciation of the hospitals' capital facilities. Each and every one of these things was promised. They promised to extend the coverage to tubercular sanatoria and to mental hospitals, and to take into account the question of depreciation.

Each one of these three promises has been forgotten, discarded and broken by the Prime Minister (Mr. Diefenbaker) and the government in office. It is bad enough that political promises are so lightly looked upon, but when they relate to the welfare, well-being and health of the citizens of this country it makes it that much worse. In this respect the record of Canada is one of which we should not be too proud.

The record is one of the Liberal party wandering in the darkness for 40 years following its 1919 promise. It is a record of their promoting in parliament the Hospital Insurance and Diagnostic Services Act under which we would financially assist the provinces in the institution of provincially acceptable hospital insurance coverage programs. It is also a record of this government amending that

which I consider to be rather feeble legislation in this field to ensure that it could come into effect more quickly than was envisaged under the Liberal plan. This is the record in Canada.

In a few years' time we will be celebrating our centennial; we will be one hundred years old as a nation, and we still have not any degree of protection, medicalwise, for the people of this nation. I believe it was Germany in the 1800's which first instituted a national health plan for the people of that country. Austria and Hungary had health and medical coverage plans in effect before the turn of the century. Other commonwealth countries, New Zealand, Great Britain and Australia have plans in effect. In short, according to the latest figures I have been able to secure, some 39 or 40 nations in the world have general, all-inclusive, comprehensive medical programs in effect for the people of those nations.

The two countries in the world which pride themselves on having the highest standards of living, the highest income per capita and the best care, notably the United States and Canada, still do not have that degree of care for our people that would push us into putting into effect a program such as we envisage.

As I mentioned, the government in office made a commitment to the people of this nation when it was elected. They made a bargain with them, which was promptly broken, that there would be federal financial participation and coverage for patients in tubercular sanatoria and mental hospitals. This has not taken place yet. It is one of those bad cheques which the Prime Minister wrote.

Let me tell the house what this means with respect to the type of coverage which does exist. The total number—and these figures are taken from hospital statistics developed by the dominion bureau of statistics for the year 1959—indicate that 41 per cent of the hospital bed capacity in this nation is taken up by tubercular sanatoria and mental hospitals, none of which is covered. This means that in so far as the bed capacity is concerned, only 60 per cent of the people of this nation are being covered by the act at present on the statute books of Canada, and 40 per cent are not covered.

With regard to mental hospitals, which depend upon the financial resources of provincial governments, we find overcrowding; and with regard to the bed capacity in mental hospitals—and this is all across the country—they used this capacity to the tune of 110.4 per cent in the year 1959.

This not only indicates that we have an inordinately large number of people in mental hospitals about whom we should be concerned, but it also indicates that these hospitals are seriously overcrowded. It also indicates that if this government had any real, definite, sincere and honest concern for proper medical coverage in this country, they would have instituted even the Hospital Insurance and Diagnostic Services Act and amended it in such a way that federal financial help would have been given to the provinces in order that they could carry out a properly planned, over-all scheme of hospitalization and care for mental patients.

All the Prime Minister has done in this regard, after waiting and waiting week after week and month after month, is establish one of his national study groups to deal with this question, a royal commission. We know that so far as a health plan is concerned—I am sure this parliament knows, and I am sure the people of this country know it also—the royal commission established by the Prime Minister was a waste of time, a waste of money and a waste of effort and is nothing more than a subterfuge to cover up the inadequacy, inability and insincerity of this government to deal with this particualr question.

Mr. Pallett: The ignorance of the hon. member is pre-eminent.

Mr. Howard: At least my hon. friend from Peel knows how to pronounce the word "ignorance". Perhaps he has been consulting the Solicitor General (Mr. Browne).

Mr. Nowlan: The hon. member feels so low today that we must forgive him for using these exaggerated terms.

Mr. Howard: If I may reply to the Minister of National Revenue (Mr. Nowlan) I would say that I never feel low except when it comes to income tax paying time, and then I become a bit disconcerted. But we have a royal commission, and that is the way we are going to deal with the health of this nation. What can possibly be the result of this royal commission? It does not really matter in so far as a health program is concerned because at the moment the only possible thing the federal parliament can do constitutionally is say, "We will enter into this field and assist the provinces financially. Their hands are tied. They cannot institute any federal plan in this parliament without amending the British North America Act. The Prime Minister knows this. Under our constitution the only people who can institute all-inclusive medical care plans are provincial governments. We have one government in one province of this country which has embarked upon that particular field.

In this regard I should like to refer, if I may, to an article which appeared in the Montreal *Gazette* of Wednesday, January 24 this year. In this article we read that the royal commission on Canada's health needs, so called, consists to a large extent of people who are hatchet men for the government in office. This article explains and refers to an exchange of expressions between members of the royal commission and Saskatchewan's health minister, Mr. W. G. Davies, in which there were accusations by the royal commission about political control, about the inefficacy of the plan in Saskatchewan and about the desire on the part of the government of Saskatchewan to merely want to be bailed out, and so on. In my opinion there is no real, definite, sincere desire on the part of those royal commissioners to find out any facts.

What we should be doing, as a federal government is, first of all, proposing amendments to the Hospital Insurance and Diagnostic Services Act which sets up the machinery for participation. We should extend the purposes of that act so as to include such things as medical, dental and optical coverage, surgical fees, the cost of drugs and the like. These are simple, uncomplicated amendments which could be drafted by the present government to deal with this question. As we have explained a number of times, the plan should embody certain principles. One of these is that the plan must be comprehensive; it must cover everyone in the country. It must be prepaid. Obviously, it must be one which is administered by the provinces themselves and in respect of which financial assistance is provided by the federal government, as is now done in connection with the hospital insurance plan. It is an approach of co-operative federalism under which the national parliament offers financial assistance toward the cost of a provincially administered plan.

The health of a nation is one of its most important aspects and even though the scheme would be provincial in application I think we at federal level are bound to consider its social and economic implications. I think the participation of the federal government in this plan should be to the extent of 60 per cent, and the cost born from taxation on the broadest possible basis. Coverage, as I have indicated, should be all-inclusive, provision being made for surgical, medical, dental and optical care. In addition to all this we must be careful to maintain the doctor-patient relationship as is now done in the case of the hospital insurance scheme, workmen's compensation, private medical plans and so forth; the individual chooses his own doctor and the doctor receives a fee for his services. It is on the federal level, moreover, that we should be concerning ourselves about contributions toward research in the field of medical science. Cancer, let us assume for argument sake, is an ailment which has plagued us for years; but I am sure we can find a cure or a remedy through preventive medicine if sufficient attention is paid to basic research.

The institution of such a plan as I have mentioned is going to cost money. However I submit that it will cost the Canadian people no more than they are spending today. We are spending an equivalent amount of money today through private hospital schemes, doctors bills and so on. Some people, unfortunately, are unable to meet this kind of expenditure. Some people, unfortunately, are not in a position to pay even their doctor bills, let alone take out any extra form of coverage. I think we shall find, therefore, that there would initially be a surge of demand on the services which would be provided under such a plan as I have outlined. As I have suggested, many people are not able to afford adequate medical or dental care at the present time. Inasmuch as the new service is "free"—I put that word in quotation marks because, of course, it will not be free—but inasmuch as it will cost less to the individual concerned, we shall find a backlog of cases which people have been keeping to themselves, initially taking up a large part of the resources of the plan.

We shall also find that there will be abuses. We have a common expression among workingmen, namely, that the workingman is his own worst enemy, meaning that he tends to abuse rights and privileges to the point where they are destroyed. This tendency exists in most people, more strongly in some than others, and there will be abuses of the plan just as now there are, I am sure, abuses in connection with private hospital plans to which individuals may subscribe.

Basically, I think, we must see that the services provided by the plan are available to every person in the country who is in need of them regardless of his income. This must be considered as a service which society renders to itself. Second, as I have already indicated, the cost of such a plan must be spread over the widest possible basis so that each person can contribute according to his ability to pay. This is a subject which undoubtedly will be dealt with in the coming months in a wider arena than that which exists here at the moment, depending on the time selected by the Prime Minister (Mr. Diefenbaker) as being the date at which we should begin telling the people of Canada what fine people we are and how necessary it is to send us back

again. But in all the discussion which will take place on the hustings in connection with this question of a health plan we must bear in mind, I am convinced, that a royal commission on that subject is not needed. All that is needed is for the government at the federal level to achieve the degree of sincerity necessary to say that it intends to amend the Hospital Insurance and Diagnostic Services Act so as to provide for participation in an improved plan, coverage to include medical, dental, optical care and the like.

I know there will be a great many promises made, and if the experience of four or five years ago can be taken as a guide we are likely to see the Prime Minister operating in accordance with some Machiavellian principle of promising things year after year and only putting them into effect when he really has to—

Mr. Pallett: That is altogether wrong.

Mr. Howard: No doubt we will see the Prime Minister waving reports and documents around and saying to the people: Just re-elect me, and all this is just around the corner. I can hear his voice quavering now.

(Translation):

Mr. Louis Fortin (Montmagny-L'Islet): Mr. Speaker, the debate on the address in reply to the speech from the throne affords the members an opportunity to express their personal opinions and those of their constituents on the widest range of matters. So, I had the widest choice but I thought I should, as the member for a riding in the province of Quebec, deal with a problem of concern not only to the people of my province but to everyone in this country of ours. The separatist movement gained new strength during the fall and experienced, as a result, a growing popularity. The popularity of the movement remains at such a high level that I feel it is useful, and even essential, to analyse briefly the cause that gave birth to it.

Mr. Speaker, the movement is not new. It is the logical and natural consequence of that movement which, at the end of the last century, had a certain strength and remained dormant during the years to experience a renewal of vitality at more or less close intervals and, particularly, during the years that immediately preceded the second world war.

Even if that movement is not new, it still has its value; all the more so since the cause which gave it birth in the past is still very much with us today, although the situation has improved considerably in the last few years. That cause is the discontent, which is quite often justified, felt by my fellow French Canadians not only in the province of Quebec but throughout Canada.

Out of respect for the justice of that cause, I do not condemn as a whole the separatists who have undertaken a difficult, efficient and useful task, but I am not in agreement with them when they advocate the separation of the province of Quebec from the rest of Canada, because I feel that this ideal is illusory.

Personally, I am truly and deeply convinced that the movement will not achieve its aim, but it will at least have the merit of opening the eyes of my fellow French Canadians to their most sacred rights and those of my fellow English Canadians to their lack of comprehension towards us.

A great uneasiness exists—that fact must be admitted, unless one is blind or dishonest —in the Canadian confederation. Numerous are French Canadians who feel that they are in a strait-jacket. They breathe with difficulty and they feel that they are suffocating. In the province of Quebec, our fellow citizens of English origin and speech, enjoy privileges and advantages which are systematically refused to French Canadians residing in one of the other provinces of Canada. Indeed, when a French Canadian from Quebec, travels to another province and though he is still in his own country, i.e. Canada, he feels like a foreigner and is often much too often made to feel he is a foreigner. In other words, outside his own territory, the French Canadian in just tolerated, and he has the feeling of being the "Errant Canadian" of the well known poem and song.

Why such an anomalous situation? When the Canadian constitution was signed, that is the British North America Act, the terms of that act were thought out, worked out, and duly weighed by the fathers of confederation. French Canadians at the time understood that it was a friendship pact between the two great races which prevailed in Canada. After living under a constitutional rule which to them was unbearable, French Canadians welcomed with joy a new way of life which would place them on equal footing with their fellow citizens of Upper Canada. I say that French Canadian at present consider, and that they have always considered, the confederative pact as a pact of friendship, and I hope that the other Canadians, whatever their origin may be, look at it the same way.

It would be extremely unfortunate indeed if the same spirit of co-operation and understanding had not inspired all the contracting parties when the confederative pact was signed in 1867.

It is almost a century since the fathers of confederation, Macdonald, Cartier, Chapais, Tache and the others, wanted to unite all Canadians forever and place them on an equal footing. We note with regret that their dream is only half fulfilled. As a matter of fact, we have to admit that the two races stand no longer on an equal footing.

One of the causes of this inequality results from the fact that, under cover of the war, the federal government, with the complicity of provincial governments, and especially that of the province of Quebec, invaded the field of jurisdiction exclusively set apart for the provinces under the confederative pact. I suggest that had our constitution been scrupulously respected, we would not have known certain issues which are now facing us.

Is this the result of ill will on either side? I should not think so. French Canadians have contributed very closely to Canadian unity. English-speaking Canadians have contributed a lot too, but my firm belief is that they would have done much more if they had better known and better understood my compatriots.

I have been more or less actively interested in politics for quite a number of years. During those years, I have heard oftentimes men like Bourassa, Lavergne, my predecessor in Montmagny, and others clamour for justice on behalf of French Canadians. Have we gained any ground since? That is the question.

There have been positive actions; certain attitudes have changed, it is true. This government has given living proof of its understanding towards my fellow citizens. However, I am still convinced that the majority of Canadians have not yet recognized the principle of equality as between Canadians. As far as we are concerned, it is a continuous struggle; we must always fight energetically to obtain, not privileges nor favours, but pure and simple recognition of rights which belong to us.

Here in Ottawa, we are not in the capital of a bilingual country, at least nothing would make us believe so. Yet, we have heard the Queen of Canada speak to Canadians in a very pure French, thus recognizing the bilingual character of this country. Other outstanding personalities have followed in her footsteps. At the end of my remarks, I shall make certain suggestions which, if implemented, will appreciably correct the present situation.

I am confident that this government, which has given evidence of its good will since it has been in power and which has done more for the recognition of the bilingual character of this country than all preceding governments, will sympathetically consider the suggestions I shall make in all good faith, as the spokesman for 5 million French-speaking Canadians.

Mr. Speaker, the causes of separatism are serious, I would even say very serious. I believe that the best way to correct a situation such as the one which we know at present, is to recognize the great principle of the equality of both races and to admit the basis of our rightful claims. The time for election promises, repenting promises like those made in Quebec city by the Leader of the Opposition (Mr. Pearson) a few months ago, is now gone.

The time has now come for all Canadians to make a serious soul-searching and an analysis of the situation. If Canadians want confederation to survive, it is time the great principle of equality of all Canadians be recognized.

I have stressed the fact, a moment ago, that this government has done more than the others to recognize bilingualism in Canada, and I shall give some concrete evidence of this.

When the previous government, in 1952, appointed a Canadian to the post of governor general, its initiative was commendable. However, when the term of office of Mr. Vincent Massey had expired, on February 1, 1957, the then Liberal government missed a unique opportunity to appoint as his successor a French-speaking Canadian.

This government, on August 1, 1959, appointed Major General Vanier, a great diplomat, a gallant soldier, a glorious son of French Canada, as governor general of Canada. It was a day of glory for all Canadians; on that day a new hope was kindled in the hearts of my compatriots.

For many years, the present Minister of Transport (Mr. Balcer) asked the former government to provide the House of Commons with simultaneous translation so that members could speak in their mother tongue. This project was not carried out until a Conservative government came into power.

The Prime Minister (Mr. Diefenbaker) and many of his English-speaking ministers never miss an opportunity to express themselves in French in this house or elsewhere. When the Right Hon. Mackenzie King headed the government, I do not remember that he showed such courtesy to French-speaking Canadians.

During the present session, the Conservative government acceded to a request made by French Canadians and which had been mentioned in this house at every session for the last ten years. I refer to bilingual cheques. Even when the prime minister of Canada was a French Canadian, this reasonable request of our people was always turned down with arrogance and contempt. Some editors who had been advocating such a measure had the indecency of writing that this action of the Conservative government was "too little and too late". We just have to remember our past struggle to realize that it is not "too little"; moreover it is undoubtedly a sign that we will soon have other things we have long been asking for. "Too late"? No, Mr. Speaker, it is never too late to do well.

There is another point I should like to stress and, in that connection, I wish to congratulate very specially the Secretary of State (Mr. Dorion), my neighbour. Since the hon. member for Bellechasse became Secretary of State, all forms used at the national printing bureau are printed in both official languages.

Mr. Speaker, every Canadian is aware of this government's achievements. Indeed, the Conservatives from the province of Quebec, who have long been the victims of the Liberals' slander are proud to compare the present government's record with those of previous governments.

What is my personal position towards the separatist movement? I will say frankly—as frankly as I can put it—I am not a separatist. In fact, if I were one, I believe that my place would not be here.

First, I am not convinced that this movement offers a solution to our problems. While I strongly support those of my compatriots who, in good faith, are striving to improve the French Canadians' lot, I feel that secession would mark the beginning of insuperable difficulties for us and also the end of Canada, which would be quickly submerged by the powerful wave of Americanism.

Thus, if we have nothing to gain, if we have everything to lose, should secession come to pass, let us settle our disputes once and for all and let us not forget the splendid thought which Marshal Petain left with his compatriots in the dark hours of the war, in 1941. Here is what Petain said, and I quote:

Patriotism's first rule is to maintain the country's unity. Were each one to claim the right to his own particular idea of what patriotic duty commands, there would no longer be any country left, nor any nation.

I offer that thought of a great soldier to the meditation of every Canadian. I invite my French speaking compatriots to accept all sacrifices in order to ensure the upholding of our language, our traditions and our culture. However, I am sincerely convinced that those precious gifts can be adequately protected within confederation.

Let us all strive towards the greatness of this Canadian nation of ours. As it has been said, "unity in diversity"; that should be our slogan.

Let us jealously preserve our own entity, let us develop our own culture and let both sides demand a complete respect of each other's rights and privileges. If we want confederation to live and to grow, we must learn to understand each other.

Mr. Speaker, here are the suggestions I want to make in all good faith. There is no doubt that if they are implemented—and I hope they will be—my fellow French Canadians will feel much more at ease within confederation and will try to preserve it rather than fight it. My suggestions, ten in number, are the following:

1. That governors general be appointed for a five-year mandate only, so that the holders of that high office be alternately French-speaking and English-speaking Canadians.

2. That a French-speaking associate deputy minister be appointed in each department of the federal government.

3. Since it is a tradition that the English Canadians of the province of Quebec be represented in the federal cabinet by an English-speaking minister, the French-speaking Canadians in the other provinces should have the same privilege and the cabinet should always include a French-speaking minister from one of the other provinces of Canada.

4. That all signs and posters, both inside and outside the federal buildings, be bilingual, wherever these buildings are located.

5. That the civil service commission be composed of members speaking both languages and that the commission do not require, as a qualification for people occupying jobs in the province of Quebec, that the applicant know English if it does not require, in the other provinces, that the applicant know French.

Moreover, one third at least of the commissioners should be French-speaking.

6. That Canada be immediately endowed with an entirely distinctive flag—I need obviously not say that we do not want two flags—and that "O Canada" be officially recognized as the national anthem.

7. That the final formula tending to bring the Canadian constitution home contain clauses which would guarantee and safeguard the vested rights of French Canadians. In asking for this, I express the numerous requests recently made by my fellow citizens.

8. That the government consider carefully, and on its merit, the possibility of appointing a royal commission for investigating bilingualism in Canada.

9. That all high officials in the government and crown companies which are in direct relation with French speaking people, be bilingual, and, moreover, that at least a third of all those high officials be of French origin and culture.

10. That the first amendment to the constitution, when it is brought home, be in the nature of an official and solemn declaration of Canada's bilingual character.

That, Mr. Speaker, was what I had to say with regard to the separatist movement among our people which is more alive than ever and in respect of our national unity which we want to see fully achieved.

It may seem that French Canadian members frequently repeat their attacks, and that they often ask for the same things. But I would say that, as long as there is a single French Canadian member in this house, he will want to insist on the rights of his fellow citizens.

When, at the start of my remarks, I said that I was not condemning the separatists offhand, I was quite sincere. Indeed, I think that those people have tried, in their own way, to improve the lot of their fellow citizens. Even if I do not agree with their ultimate aim I know that they are in good faith. I shall not be the first to throw a stone at them. I shall rather leave that to him, or those among us who are without blame.

For my part, I would rather work towards the achievement of national unity. I realize that this is no easy task; to unite men of different languages, customs, cultures, ways of thinking and origins is a difficult goal to attain, but it can be done with the goodwill of one and all. I have already had the opportunity, in 1959, of addressing the house on national unity. I come once again to sow the good seed, hoping that it will fall on fertile soil.

To bring my remarks to a close, I will get my inspiration from a statement made by the Minister of Justice (Mr. Fulton) at the Canadian Affairs' meeting, on November 15, 1961. Here is what the minister said:

> It is a good thing, therefore, that Canadians should stop from time to time in order to measure the progress achieved, to try to discover the causes of dissension and to take the means to eliminate them. Just like the materials which go to make a building are often invisible, so it is with the elements which make up a nation; and the mistakes made there are so many flaws which, if not attended to while there is still time, eventually will cause the building to collapse. Thus, when examining the mistakes made within the framework of confederation, the point is not to magnify them, but to reduce their effects and to correct them.

We are aware of the flaws. Should we neglect to attend to them today, the price to be paid will be exceedingly high. What will it be? The very existence of the Canadian confederation.

Mr. Guy Rouleau (Dollard): Mr. Speaker, to begin with, I should like to offer the hon. member for Pontiac-Temiscamingue (Mr. Martineau) my sincere congratulations on his appointment as Deputy Speaker. Ever since he has taken over his new duties, Mr. Speaker, we have been very glad to see that he intends to follow the example you have set. I feel sure that he will wish to show the same honesty and courtesy that you have shown while presiding over the debates and that his decisions will be given in the same spirit of fairness as yours. Thus will be preserved the sacred character of your functions, since you are, in a way, the judge and the guiding hand of your colleagues.

I should also like to extend my congratulations to the hon. member for Quebec South (Mr. Flynn), who has been named Minister of Mines and Technical Surveys. He is the newest member of the cabinet, and he was appointed under the difficult circumstances of the famous cabinet meeting in Quebec, an event preceded with much publicity and fanfare, the ministers having gone there by air, by sea, up hill and down dale. Except for the appointment of the Minister of Mines and Technical Surveys, only wind came out of that meeting and it was greeted with a burst of laughter in the province of Quebec and in all Canada. That is what happened in Quebec, Mr. Speaker, and it is quite in the manner of this government.

It is all very well to give the people a laugh, but with all due deference to the Associate Minister of National Defence (Mr. Sevigny), the Canadian people want more

than only bread and games, they want a sound administration which will ensure economic stability as well as full employment in Canada.

Before I leave this matter of congratulations, I should like to point out a historical event which took place in the province of Quebec last December and more particularly in a part of the riding which I represent in this house. I refer to the election of Mrs. Claire Kirkland-Casgrain, the first lady to be elected to the Quebec legislature. Mrs. Kirkland-Casgrain will blaze a trail in Quebec, because she will open the doors to all the women in the province of Quebec who will want to take part in political life, either in the Quebec legislature or right here, in the parliament of Canada.

Mrs. Kirkland-Casgrain, whom I had the pleasure of knowing when I read law at McGill University, is a devoted mother, a perfect and talented wife who will be a credit to women in provincial politics. And because she is a dutiful woman, every one in the province agrees that she will have a brilliant political future. Needless to say, Mr. Speaker, that I worked on her behalf during her electoral campaign.

Mrs. Kirkland-Casgrain is a Liberal who has gone to join, in Quebec, the team that now directs the destinies of my province, the team that rid Quebec of the dictatorial government that was in power far too long.

The team headed by Hon. Mr. Lesage will see to it that Quebec plays its role within the confederation so that the province will achieve full economic development.

Mr. Pigeon: A team of geniuses.

Mr. Rouleau: Whether the hon. member for Joliette-L'Assomption-Montcalm likes it or not, I am paying tribute to the first woman ever to be elected to the Quebec legislature and in so doing, I should like to honour all the women who take an active part in politics throughout Canada and especially those who sit with us in the House of Commons.

I should like to mention in particular the hon. member for Niagara Falls (Miss LaMarsh), whose many talents are now known to us, and the hon. members for Grenville-Dundas (Mrs. Casselman), for York-Humber (Miss Aitken), for Kings, P.E.I. (Mrs. Macdonald) and the Minister of Citizenship and Immigration (Mrs. Fairclough).

[Mr. Rouleau.]

All those ladies are the pride of womanhood just as Mrs. Kirkland-Casgrain will be in the Quebec legislature. I know that hon. members will join with me in this tribute.

Reverting to the matter under discussion during this debate, and before dealing in particular with the speech from the throne, I should like to congratulate the mover and the seconder of the address, Messrs. Bourdages and Browne (Vancouver-Kingsway).

Those two members performed very well the thankless task entrusted to them. However, when I listened to the hon. member for Laval, I thought for a moment that we were back to the times when Mr. Duplessis was in his heyday and when his philosophy prevailed in the province of Quebec. As a matter of fact, when Mr. Duplessis was Quebec premier, he liked to hear his scribes and friends call him the greatest premier since confederation.

As far as the present Prime Minister is concerned, the member for Laval was a little more modest, fearing no doubt the anger of the late Mr. Duplessis. He said that the Prime Minister was one of the greatest since confederation. Carried away by his enthusiasm, the hon. member exclaimed:

—Hail, thrice hail, Mr. Prime Minister.

What a charming sight, Mr. Speaker. For a moment we might have thought we were at the Grand Guignol.

But why this acclaim? Why acclaim the Prime Minister and this government? Why applaud the period of unemployment which we have been going through for the last four years? Why hail them for the slowing down of our economy? Why commend them for the loss of our foreign markets, and for the loss of Canadian prestige on the international scene? Why acclaim them for the blunders regularly committed by the members of the cabinet, and hail them for the contradictions we note between members of the same cabinet? Shall we applaud them for the confusion prevailing on our political scene?

Mr. Speaker, either the hon. member for Laval is blind and fanatical, or he is a very good comedian, and a poker-faced one, too.

Mr. Pigeon: Tell us about the two flags.

Mr. Rouleau: And after having praised the Prime Minister (Mr. Diefenbaker) and this government's policy, the hon. member for Laval revealed something we probably were not aware of, that is that our country consists of ten provinces. Following this terrific speech, the hon. member confers upon the present Prime Minister the title of "Father of modern Canadianism".

He goes on speaking of a close union between the various Canadian provinces. He tells us that one needs the other, and vice-versa.

Mr. Speaker, I wonder what the hon. member for Roberval (Mr. Tremblay) thought of that, who boasts of being a separatist and who, on January 28 last, even attended the celebration of the fifth anniversary of the foundation of the "Alliance Laurentienne", under the leadership of Mr. Raymond Barbeau.

While the hon. member for Laval wants to strengthen confederation—and justly so—the hon. member for Roberval—that new, veteran separatist, was unflinchingly and complacently listening to the chairman of the "Alliance Laurentienne", who said:

Five years from now, we will not observe the centenary of confederation, but rather the independence of Quebec.

Mr. Speaker, while one Conservative member expounds one dogma, another preaches the opposite. That is a striking instance of the present administration.

Mr. Speaker, I sometimes feel a measure of sympathy for the leader of the Conservative party, the Prime Minister. How can the latter, as leader of the Conservative party, associate himself with members whose philosophies are so absolutely opposed to his own? On the one hand, we see people like the hon. member for Danforth (Mr. Small), who openly states in the house his imperialist views and his opinions as an orangeman, and, on the other, men like the member for Roberval, a French-Canadian nationalist, who is opposed to confederation. And, between the two, we have a full range of Union Nationale members who have been sitting in this house since the last election.

Thus, with all these very divergent elements, little wonder that we now have a policy of confusion.

Mr. Pigeon: Could I put a question to the hon. member?

Mr. Rouleau: The hon. member can ask as many questions as he wants to when I have finished my remarks.

Mr. Pigeon: What do you think of the two flags advocated by your party?

Mr. Rouleau: Mr. Speaker, the comment is as trifling as the one who made it.

Since its coming into power, the Conservative party has acted only on the spur of the moment, and in all fields of activity, with the results that are well known. And evidence of this is given by the speech from the throne, which has been directly inspired by the impending election without any consideration being given to the economy of the country. Faced by the imminence of an election, the government is bringing forward costly legislation without taking into account the economic balance of the country, thus risking to upset it.

It is, therefore, not surprising to note, in the editorials published in various newspapers throughout the country, the concern expressed by the editors about the expenses that might result from the carrying out of the measures announced in the speech from the throne.

To give an example may I quote from an editorial published in the Montreal *Gazette* on the day after the speech from the throne was read:

(Text):

It has come to be expected, as a matter of course, that a government, facing an election, will make promises. But is there not a prior obligation to have the money with which the promises might be carried out? For a government that is already deep in debt and deficits to promise to undertake new commitments, large and lasting, is scarcely to accept responsibility.

Yet this is the pattern outlined in the speech from the throne The government in the current fiscal year is running a deficit that amounts to about $1.3 billion.

Mr. Clancy: What paper are you reading from?

Mr. Rouleau: The Montreal *Gazette* of January 23, 1962.

(Translation):

Mr. Speaker, that is why the businessmen and the newspapers are concerned about the policies of the present government which lack consistency and preparation.

As I stated earlier, the present government acts on the spur of the moment. Moreover, the government has brought forward in the speech from the throne legislation which will require the co-operation of the various provincial legislatures in order to be implemented. Proposed legislation has been announced without the provinces having been consulted, for the sole purpose of window dressing on the eve of an election campaign.

The government has announced an increase in old age pensions and the setting up of a contributory pension system without having consulted the provinces.

The increase in pensions for the blind and the disabled persons was also announced without prior consultation with the provinces.

The Senate reform is another measure which I feel requires consultation with the provinces.

The assistance program to municipalities, the establishment of a national grid are measures which, in my opinion, come under provincial jurisdiction.

The abolition of tolls on Victoria and Jacques Cartier bridges will require the consent of the authorities of the province of Quebec, since the province is a joint owner of those bridges.

Mr. Speaker, I feel that the central government has no right to interfere in fields which do not come under its jurisdiction. We have the strict duty to legislate in a field which is ours, but we are forbidden to infringe upon those which come exclusively under provincial jurisdiction.

In a speech he delivered in Quebec on November 6 last, the leader of the Liberal party, the Hon. L. B. Pearson, stated the policy of our party in that field. I wish to quote an excerpt from that speech which he made in Quebec and which he had already made in Winnipeg:

> Furthermore, the Liberal party believes in a strong and stable central government, within the limits of its jurisdiction. It is a necessity for the Canadian nation in our troubled world. Such strength however ought not to depend upon the weakness of provincial governments. On the contrary, the balance of our federalism is based also on strong provinces.

And he goes on to say:

> Indeed we believe that the federal government should withdraw from the field of joint programs of a permanent nature once those programs are well established across the country. Upon putting an end to its financial participation to those programs, the federal government should compensate the provinces by granting them greater access to the field of direct taxation and adding equalization in order not to increase their financial burden.

Such is the doctrine of the Liberal party, as stated by the leader of the party, concerning the field of federal-provincial relations.

It is absolutely necessary that those who represent the Canadian people in this house be aware that provincial legislatures also have responsibilities to the people they administer.

If we, here, have no concern for the protection of provincial rights, certain movements will develop, not only in the province of Quebec but elsewhere throughout the country, as was the case in the west in the thirties, at the time of the depression. The central provinces were then noticing the birth of secessionist movements. This development could possibly recur in western Canada, as it is in the province of Quebec at present.

The province of Quebec has always been jealous of its rights. Under the leadership of Mr. Lesage, the present government wants the province to play its rightful role within the confederation. In order that the province of Quebec may assume its rightful responsibilities, in order that it may enjoy a constructive autonomy, and not merely a negative one, it must be in a position to exercise its rights. And in order that it may do so, it must have the financial means to provide its population with what it is entitled to get.

Mr. Pigeon: What a contradiction.

Mr. Rouleau: If we do not care about provincial governments, as I have just said, movements will soon develop on an increasing scale, which will be disastrous not only for the country as a whole but for the provinces concerned in particular.

Mr. Speaker, I think that in our proceedings in the house we should always keep in mind the rights of the other provinces. We should deal with the problems coming under our jurisdiction and work in the interest of our fellow citizens, from coast to coast, in the interest of Canada and of the Canadian economy.

(Text):

Mr. Clancy: Mr. Speaker, the hon. member who has just resumed his seat quoted out of context from the Montreal *Gazette*. Could I suggest that the whole article be put on the record.

Mr. Rouleau: I am sorry, I did not hear the question.

Mr. Speaker: The hon. member has asked that the editorial of the *Gazette* from which the hon. member for Dollard (Mr. Rouleau) read be tabled. If public documents are read, hon. members are entitled to have them tabled. I suppose the hon. member has no objection to tabling the editorial.

Mr. Rouleau: I have no objection whatsoever. The rest of it is worse for the Conservative party.

Mr. Nicholas Mandziuk (Marquette): Mr. Speaker, I should like to associate myself with the hon. gentleman who spoke previously in congratulating the mover and seconder of the address in reply to the speech from the throne, the hon. member for Laval (Mr. Bourdages) and the hon. member for Vancouver-Kingsway (Mr. Browne) respectively. These hon. gentlemen spoke logically; they were impressive; they knew what they were talking about, and I am sure their respective constituents are proud of them.

For four and a half years we in this chamber have been treated to a chorus of moans and groans. We have been treated to insults by the hon. gentlemen opposite—

Mr. Habel: Oh, no.

Mr. Mandziuk: —and a similar chorus has gone out into the country.

Mr. Habel: On a point of order, Mr. Speaker.

Mr. Speaker: Order. The hon. member for Cochrane (Mr. Habel) is rising on a point of order.

Mr. Habel: I think the hon. member is absolutely out of order in saying that they have been treated to insults, because we know that you, Mr. Speaker, with your great impartiality would not tolerate such a thing.

Mr. Speaker: I think the hon. member—

Mr. Mandziuk: On a point of order—

Mr. Speaker: Order. It is not necessary to speak to the point of order. The hon. member apparently wishes to deny that there have been any insults, but that really does not raise a point of order.

An hon. Member: Back to your crossword puzzle.

Mr. Mandziuk: We have been treated to various accusations, that we are ignorant, that we have fooled the Canadian people, that we have misled them, and this has occurred not only in this chamber but throughout the country.

Some hon. Members: Hear, hear.

Mr. Mandziuk: I am glad hon. gentlemen say, "Hear, hear" because I know the Canadian people will put the proper interpretation on some of these slanderous remarks hon. gentlemen opposite are passing about the Prime Minister (Mr. Diefenbaker), the cabinet and my colleagues who sit on the government side of this house. I am fully aware of that.

Mr. Speaker, apart from that we have heard nothing but boasts. We have heard boasts of superior knowledge—everything is in the superlative—and the superior experience of people they think are experienced. They speak about their infallibility; they never make mistakes. They try to build up their party and their frontbenchers if not their backbenchers, as some type of super men who by divine right are destined to rule this country, and by a certain misfortune in 1957 and 1958 they were dislodged and put into the opposition benches.

They want to convince the Canadian people that conditions will never be the same until they get back to the front benches and are the ruling party. Hearing all this, we know what to expect on the hustings during the forthcoming election campaign. It appears to me, as I think it appears to every average Canadian, that all they seek is to get their jobs back. Getting their jobs back seems to be more important that trying to find a solution for the problems which face this country.

They are indeed anxious to have an election. I might say, Mr. Speaker, to these hon. gentlemen that they will have to face an election and they had better start worrying about the results from today, in spite of the fact that the premier of New Brunswick said in his address to the Liberal rally on January 29 that:

> Well, the first step is to elect a new Liberal government here at Ottawa. He also said, and we are going to win, there is no question about it. The smell of victory is in the air ... and it smells good.

Perhaps the absence of so many hon. members of the opposition today is accounted for by the fact that they are out in the country taking a whiff of the victory they expect.

I wish to refer to the speech of the Leader of the Opposition (Mr. Pearson) during this debate. That was a keynote speech. Several challenges were thrown at the government. These challenges have often been repeated, and the chorus followed suit, "Bring on an election". Well, we heard that in 1957.

Then they say the government must fight the election on its record. We are ready to fight the election on our record. We are not ashamed of our record. We are going to fight on a record of having carried out our election promises to the best of our ability. We are going to let the Canadian people be the judge and jury, and they shall decide. We are accused in this house and on the hustings of going back, and it is said that we should look to the future. The Leader of the Opposition spoke to his cohorts in the Chateau Laurier on January 3 this year and accused us of bringing out some old shopworn issues. We are going as far back as 1957. How far back would hon. gentlemen go? They go back to the beginning of history. Oh yes, they are allowed to do that. I can quote, at this point, remarks made by the Leader of the Opposition (Mr. Pearson) himself.

> "But while we look ahead, we also have the right and the duty to point out the fumbling and the follies of this government."

The Canadian people will judge on the basis of the Conservative record. The Canadian people will know where we stand.

But where does the Liberal party stand? What do they stand for? Nobody knows. The country does not know where the Liberal party stands. When I hear some of their frontbenchers—

An hon. Member: Where are they?

Mr. Mandziuk: If anyone had simply listened to an address given the other day given by the hon. member for Essex East (Mr. Martin) without knowing anything more about what has gone on in Canada he

would have been obliged to reach the conclusion that if it had not been for the Liberal party there would be no pensions in Canada. According to him, the Liberals originated them; we dare not deprive them of that honour. Similarly there would be no family allowances and no unemployment insurance. In fact, Mr. Speaker, there would be nothing. That is the kind of performance to which the Canadian people are being treated. I should like to warn the opposition that the Canadian people are not only watching our party; they are watching the performance of the official opposition and of that little group in the corner. The Canadian people are intelligent. They read. They listen to the radio; they watch television. They are going to weigh the performance of the present government and its supporters against the performance of the opposition which consists of filibuster tactics and the spreading of doom and gloom, the dragging through the political mire of every measure we introduce, and then, in the words of the Prime Minister, voting for it, like lambs.

Hon. gentlemen opposite are fond of statistics. I hear that Mr. Grimm who wrote the fairy tales is to have a modern competitor who will write the book of our promises. But why not make a list of the measures introduced by this government to which the opposition had objected and which they voted against? I think the Canadian people would be anxious to have a list of these various measures which have been criticized. I think they would be anxious to have a list of all the measures that we have passed and that the opposition intends to repeal if given a mandate. Contrary to Liberal hopes, the Canadian people have long memories. They do not have to go too far back. I intend to comply with the request made by the Leader of the Opposition that we should look ahead, but I beg his indulgence if I look back a couple of years because, as I have indicated, the hon. gentleman and his friends are doing it every day, going further and further back into the past.

The Canadian people will not forget the do-nothing policy of the Liberal government which disregarded the warning given by their experts that a recession was imminent. That is in the record. Yet what does the country hear? "The Tories brought it along; Tory times are hard times; we left a full kitty, and look what they did". Yet all the time the advice which was given them by the economic experts was ignored.

Canadians will not forget that in 1957 the Liberal party said tax cuts were impossible. Not more than $6 could be given to the pensioners. Yet in 1958, within a year, the Liberals promised tax cuts of $400 million in addition to $178 million of taxes which this government had reduced. What a sudden transformation. The Canadian people will not forget the tax exemptions that the Liberal party promised to newly married couples. What has happened to that today? Why do we not hear anything about it? Furthermore, the Canadian people will not forget that the Liberals when in power, fought against adequate pensions. They followed a policy of too little and too late. Now, as an alternative, they advocate a nebulous policy of contributory pensions which is not supposed to cost anybody anything. Even the spokesmen of the Liberal party are not clear as to what this program proposes to do. I wish to apologize to the Leader of the Opposition for not having looked ahead. If anything, I have looked just back a few years.

According to a pamphlet I have here, the Liberals have the answer. Oh yes, the Leader of the Opposition logged some 28,000 miles in a journey over the length and breadth of this dominion of ours. He made two trips across Canada and back, but despite what this pamphlet says he did not have a single answer to give the Canadian people.

May I call it five o'clock?

Mr. Speaker: The hour for private business does not intervene.

Mr. Mandziuk: Then I shall continue.

After logging 28,000 miles, the Leader of the Opposition has told the country quite a lot. The smear campaign kept on going, and in October of last year the hon. gentleman made his key note speech in the constituency of Marquette in Manitoba during the first Liberal nominating convention. Marquette is a constituency which is strictly rural. It has good farms; it is dotted with small towns and villages. The largest of the towns has a population of around 2,500. As I say, it is an agricultural area and my people are interested to know what answers the Leader of the Opposition might have. They still have problems. We do not say we have solved them all.

I have two reports from the daily papers. The Winnipeg *Free Press* contains the headline "Trade is Keynote to Growth—Pearson". He used such phrases as "inefficient and desultory methods" in reference to the Conservative government and "the country has ceased to go ahead".

An hon. Member: Carried.

Mr. Mandziuk: Oh, do you know what the Liberals will do, Mr. Speaker? Again I quote from the newspaper report:

The Liberals, Mr. Pearson promised, "can do something about that when we are in office and we will."

The charge made was not substantiated. Then when these farmers came in hundreds to hear him, and there was a good crowd, what did he say about agriculture? According to the Winnipeg *Tribune* of October 17, he said this:

He said the Liberals don't have an answer to all agricultural problems, but would come up with a sound, stable program to increase farm income.

What he is saying is, "Oh, re-elect us, brothers, and we will do everything for you". They have said that previously and they are saying it again. What is the agriculture policy of the Liberal party? Their policy is that they will just come up with something. I think the hon. member for Lisgar (Mr. Muir) was quite right in what he said when he was speaking in the debate on acreage payments. Those acreage payments received a really rough going over in this House of Commons, as everyone knows. The hon. member for Lisgar very mildly and, I would say, diplomatically—he did not mean to insult hon. members or the Leader of the Opposition or anything like that—made reference to the fact that the Hon. L. B. Pearson did not touch on agriculture in his key note address in the debate on the speech from the throne. He said that the only conclusion we can draw is that he and his party have no ideas about agriculture.

I think the hon. member for Lisgar was right. The hon. member was born and raised on a farm, is still one of our outstanding farmers and was elected by farmers. I will stake his judgment any time against the judgment of any agriculture expert sitting on opposite benches or in offices at 251 Cooper St., Ottawa.

You know what followed, Mr. Speaker. The hon. member for Essex East (Mr. Martin) gave us a preview of what his leader would say. His leader followed him on the succeeding Monday. I can tell you, Mr. Speaker, that the preview was longer and more interesting than was the main feature produced by the Leader of the Opposition. I therefore still think that the hon. member for Lisgar was right. They are still floundering around and do not know what their agricultural policy is. I can tell you what it is, Mr. Speaker. Repeal the stabilization act, cash advances, national crop insurance, acreage payments, the farm credit act, the amendment to the P.F.A.A. and you have the Liberal agriculture policy.

I know that my time will not permit me to quote from all the briefs presented to us by various farm organizations. However, I think I shall have time to quote one. This brief was presented by members of district No. 3 of the Manitoba farmers union which covers the constituency of Marquette. This brief was presented to the Minister of Agriculture (Mr. Hamilton) and me in Russell, Manitoba on November 25, 1961. The third paragraph of it reads as follows:

First of all, we would like to thank you and your government for the initiative you have taken in setting up some of the policies we have been requesting for a number of years.

And they did so. The farm organizations know what happened to their briefs or presentations under the previous administration. They were locked up in the cupboard or thrown in the wastebasket. Everybody knows that. Every farmer in the country will tell you that. Indicating what they are grateful for, the paragraph continues:

Namely crop insurance—

Oh, how that step was criticized.

—deficiency payment program on hogs and eggs, feed and fodder assistance, etc., and the improvements made on existing programs.

That is just one example of the approval given by farm organizations whose membership consists of those belonging to various political faiths. Their leadership could get away with drastic criticism a great deal faster than they can get away with passing on compliments to the government of the day. I have not the time in which to quote from the *Western Producer*. However, I should just like to mention the page numbers which hon. gentlemen can refer to if they wish to follow this matter up. I would refer them to the national farm union brief at page 8, where they commend the Minister of Trade and Commerce for external trade, and also pages 9 and 10. I would also refer to the brief of the federation of agriculture at page 6. I would ask hon. members to read those briefs very carefully. We have taken the farm organizations into our confidence. We have established a measure of co-operation between the government and Canadian agriculture. Canadian agriculture has come to realize that the government alone cannot do everything and the government knows full well that it cannot do anything without their co-operation. The farm organizations appreciate that fact.

I am still watching the clock, Mr. Speaker, but I have one more matter that I should like to bring to the attention of the Minister of Agriculture whom we wish a speedy recovery and hope to see back in his place at an early date. I also wish to bring the matter to the attention of the government as a whole. There are certain difficulties with which we are going to be faced this spring and which the measures we have in mind are not going to take care of. These may require immediate attention. I have in mind those farmers who

had no crop at all, who did not even pull out their combines and who did not thresh a bushel of grain. I am worried about where they are going to get money for their seed next spring. These farmers—and many of them are in my area—had a difficult job in getting a supply of fodder in order to save their herds. In the fall they thought they were successful. However owing to the severity of the winter and having regard to the fact that they are rationing their fodder to just so many bales a day, they may run short. I suggest that while acreage payments are appreciated, this money may have to be used in order to supplement their fodder supply so as to save their herds. We want them to save their herds. I have had letters from farmers and I have had farmers speak to me and, according to the information I am given, there are those who will not have the cash with which to buy their seed. This situation would, of course, result in the land lying idle. We all know—and I do not know why the opposition cannot hear it—that our Minister of Agriculture has done wonders with our surplus. He did not pray for a crop failure in order to get rid of our surplus as did the former administration. He went out and sold our grain. He wants every acre put into crop so that we can meet our overseas commitments and can supply the hungry world. I suggest to the government that this problem will have to be solved and I would offer two possible solutions. The first would be cash advances on 1962 grain. That can be done on the basis of so much per cultivated acre of land. The second way would be by way of guaranteed bank loans. There is no doubt that such action will be necessary. I know that the Minister of Agriculture (Mr. Hamilton) does not wait until he is kicked into doing something. He realizes the situation and tries to find a solution. I do hope that a solution will be found for this problem.

Finally, I wish to repeat that the farm organizations have complimented the government, and I take their opinion as against the criticism of the opposition. The farm organizations have come here with an open mind and have laid their cards on the table. We realize their problems and they realize ours. Together we realize that we must work as a team instead of trying to stir up one segment of the economy against another.

I also feel that simply to go around the country and make charges without an iota of truth is not going to convince the Canadian people that the Liberal party is now ready to take over the government. I believe they still have a lot to learn. Smear tactics, insults against the Prime Minister and acting big do not go over with Canadians.

[Mr. Mandziuk.]

Mr. G. R. McWilliam (Northumberland-Miramichi): Mr. Speaker, following the time-honoured custom I wish to extend congratulations to the mover (Mr. Bourdages) and seconder (Mr. Browne, Vancouver-Kingsway) of the address in reply to the speech from throne. My congratulations and best wishes are extended to the hon. member for Quebec South (Mr. Flynn) on his appointment to the cabinet and my congratulations and best wishes are also extended to the hon. member for Pontiac-Temiscamingue (Mr. Martineau) on his election as Deputy Speaker. The members of this chamber look forward to his discharging his responsibilities in the same capable and impartial manner displayed by our Speaker, who has gained the highest respect of all members for his impartial, firm and courteous enforcement of the rules, which at times is made difficult by over-zealous members.

The speech from the throne followed the pattern of throne speeches of previous years in that very little was stated about what the actual legislative program will be at this session of parliament. The omission of intended legislation from the speech from the throne over the years has led to great speculation in the press and among the public. It has made the role of the opposition more difficult. The leader of the opposition in the previous parliament and his colleagues complained bitterly about being denied information as to proposed legislation, claiming that parliament was entitled to know in the best interests of the nation.

This trend is still evident to the point that it is considered necessary tactics of the government in power. The foreseeable future does not indicate that future throne speeches will outline the complete legislative program of the then current sessions. Speculation will still be the order of the day. Announcements of legislation will continue to be timed as is considered most effective from the point of view of the government of the day.

Opinions are varied as to the effect of the final results of the withholding of the announcement of legislation from the speech from the throne. To many it appears as a strange vehicle in a country that boasts of a great democracy. The overriding fact is the claim that the government of the day, having been given a public mandate, has the right to present legislation in the manner of their choice as they hold the responsibility and are answerable for the consequences.

In every parliament down through the years, Mr. Speaker, members have taken the opportunity provided by the free-wheeling rules of debate in connection with the speech from the throne to discuss matters that range

through national, international, provincial and local levels. The leaders of all parties and their frontbench colleagues advance their parties' views on the issues of the day, which in a general way sets the patterns of the different debates that follow throughout the session.

Many members use the time allotted to them in the debate on the speech from the throne to discuss constituency matters. I am going to confine the remainder of my remarks to a situation that arose in the constituency of Northumberland-Miramichi, a situation that aroused the interest of the people of that area more than any other in a long time. Today, Mr. Speaker, I wish to make a suggestion that I feel is in the public interest. While the situation that developed which prompts me to make the suggestion occurred in the constituency of Northumberland-Miramichi, it is one that could develop in any of the other 262 constituencies in Canada.

As hon. members are aware, minimum wage scales for workers are provided for in federal government contracts. However, there are no rates set in federal government contracts for the supplying of material or the hire of equipment. The difficulties in setting up rates for the hire of equipment or the supplying of materials with respect to federal government projects awarded by public tender are well recognized. However, it is felt that minimum rates could be designated in contracts for the conveyance of material, provided by the contractor, from one location to another in cases where individual truckers perform this service. In this connection I have in mind the trucking of gravel supplied by a contractor and conveyed by individual truckers from one location to another, worked out on a per ton mileage basis.

The situation I wish to speak about is the tie-up that occurred at a Royal Canadian Air Force runway construction project at Chatham, New Brunswick. From December 29 last until January 29 the trucking of gravel for this R.C.A.F. project was tied up. Failure to arrive at a mutual agreement over a four week period disrupted many lines of business and aroused a keen interest among the public, with tangible evidence that local gravel truckers had the complete sympathy of the people in their request for a trucking rate at a level that had been established, recognized and paid for several years, as against an offer by the company holding the contract at a rate 42 per cent below the rate paid over a period of many years. The amount of gravel involved is 400,000 tons for an airstrip 10,000 feet long. The difference in dollars between the established trucking rate and the rate first offered by the company was reported to be $200,000.

When the crown company, Defence Construction Limited, awarded the contract to the lowest tenderer the tender price was considered low and it was stated unofficially that Defence Construction Limited was reluctant to award the contract at the low tender amount. However, as the required guarantee for the completion of the contract was provided the low tender was accepted.

When local truckers got in touch with the contractors they were offered a rate of 70 cents per ton which amounted to $6.30 for a nine-ton load over a 43-mile round trip. Local truckers, members of the New Brunswick truckers association, refused the offer of 70 cents a ton on the basis that it was much below the long established and heretofore recognized rate.

For several years the minimum rate paid by provincial governments and by construction firms for trucking gravel, for the same distance and under the same conditions, has been $1.21 per ton. A number of out-of-the-area trucks, non-members of the trucking association, were brought in and commenced hauling gravel at a rate reported to be 70 cents per ton. The local truckers established a picket line at the gravel pit, with the result that trucking operations were suspended. The tie-up continued for two weeks before any negotiations bore fruit. After two weeks, the contractors offered a rate of $1 per ton, later followed by the offer of $1.21 per ton. The trucking rate was finally agreed upon by both parties in the dispute as the provincial government established rate, which would be determined by the actual mileage involved, estimated at $1.18 to $1.24 per ton.

However, the rate agreed upon brought on the introduction of a rider by the contractor to the effect that for every local truck engaged the company would engage an out-of-the-area truck. The truckers association agreed to truck gravel at the provincial government rate and assured the contractors and Defence Construction Limited that there would be no delay in the conveyance of gravel to the project site. The truckers association also agreed that the contractors could use their 22 company trucks. However, the truckers association did not agree on the local and out-of-the-area truck for truck basis. It is estimated that between 80 and 100 trucks could be operated without danger of traffic tie-ups.

Public concern was expressed at the outset of the tie-up over the fact that the season's cut of logs was still in the woods,

and that the log hauling truckers were on strike in sympathy with the gravel truckers. A serious situation was averted when the gravel truckers voted to release the log-hauling trucks from active picket duty, thus enabling them to resume their log-hauling operations.

The tie-up first brought about by the offer of a 70-cent per ton rate and continued after the $1.21 rate was agreed upon as a result of the contractors' demands to bring in out-of-the-area trucks, delayed the construction of a project closely linked with Canada's defence system, both in an operational and training role. This situation, one that could have been averted and could occur again in the future, can be avoided by the insertion of a clause in federal contracts to the effect that prevailing gravel trucking rates as paid by respective provincial governments should be recognized by those submitting tenders and that local truckers' preference be recognized over individual truckers from outside areas.

This situation was not one wherein the gravel truckers supplied materials. It was one that involved the wages of the truckers operating their own trucks, and thus should be taken out of the rental of equipment classification. This suggestion is offered to the ministers of government departments or crown companies awarding contracts that involve delivery of materials, supplied by a contractor and delivered by individuals, for their consideration with the end in view of eliminating stoppages on federal government projects and at the same time protecting the labour force against attempts to lower existing rates, and to ensure fair and equitable returns for services provided.

The tie-up ended and the truckers are now engaged in trucking gravel for this important project. The terms requested by the truckers' association were finally agreed upon by the company, which I suggest is an indication that the truckers' demands were fair and made in a just cause. I express the hope that safeguards will be inserted in contracts in the future to ensure the rights of gravel truckers of Northumberland-Miramichi, as well as all gravel truckers across Canada, and to ensure them a fair return for their labours. With these safeguards written into contracts, parties submitting tenders will be guided by the fact that set rates are established, just as hourly labour rates are now established. These safeguards will eliminate attempts to force individual truckers to provide services at below cost rates, or below rates that have been recognized as standard rates, and eliminate such unsuccessful attempts to take advantage of a situation as I have outlined.

[Mr. McWilliam.]

In conclusion, Mr. Speaker, I wish to make a few comments about a matter that is disturbing all New Brunswickers. In the February 17 issue of the Montreal *Gazette* there is an article inquiring what happened to the framed oil painting of the late R. B. Bennett, a former prime minister of Canada from 1930 to 1935. The article states that the only portrait of former prime ministers missing from the halls of parliament is that of the late R. B. Bennett. The news article further states that Lord Beaverbrook arranged to have the only oil portrait of Mr. Bennett known to exist forwarded by the University of New Brunswick as a gift to the Canadian parliament. Several years ago Senator Burchill, together with New Brunswick Senators and members of parliament, made efforts towards securing a portrait of the only New Brunswick native prime minister. Eventually Lord Beaverbrook, chancellor of the University of New Brunswick and a life-long friend who in his early days read law with Mr. Bennett in a Chatham, New Brunswick law office, was successful in bringing about the gift to the Canadian parliament.

The portrait has not been hung in the parliament buildings up to this moment, and Canadians in general are disturbed by the fact that the gap has not been filled. New Brunswickers are disturbed, and in particular the people of Northumberland-Miramichi, because the late Mr. Bennett taught school in his early days at Douglastown, adjacent to Newcastle, and made his first steps in his notable career as a lawyer at Chatham. The ceremony of the hanging of the portrait of the late prime minister Bennett is looked forward to, and I trust that arrangements will proceed with great dispatch.

Mrs. Jean Casselman (Grenville-Dundas): Mr. Speaker, I should like to add my congratulations to those of other speakers to the mover (Mr. Bourdages) and seconder (Mr. Browne, Vancouver-Kingsway) of the speech from the throne, and also my congratulations and best wishes to our popular colleague, the new Minister of Mines and Technical Surveys (Mr. Flynn) and the new Deputy Speaker. It is understandable, Mr. Speaker, that the tempo of the house seems to have quickened this session and that many people seem to want to say many things on many subjects. I, personally, have been interested in many of the items in the throne speech, as are the people of my two counties. However, these items have been reviewed ably and eloquently by those preceding me, so I shall try to be as brief as possible.

I have mentioned before in this chamber, and outside it, my very great interest in federal participation and federal encouragement

of education at all levels and in all branches, and I am rewarded to see the success of the federal contribution to vocational training, resulting in 170 new technical schools across Canada. In that same area, education, I am very glad to see increased university grants.

Like all Canadians I am very sympathetic and anxious to assist the aged, the disabled and the blind to the fullest possible degree, and I commend the government for their steps in that regard. That these are reasonable and practical steps is substantiated by the type of criticism of them which, to say the least, has been confused. We also welcome the proposal to set up an independent commission to make recommendations with regard to the redistribution of electoral districts. There has been much distasteful politics played in this regard in the past and I commend the government for their desire to remedy that situation.

We in eastern Ontario, particularly since the completion of the St. Lawrence seaway, are highly interested in the subject of industries and the development of new industries. We therefore welcome aid to industries for industrial research and we also welcome aid to industries through the proposal to establish a national power grid. Closely related to industry, the people of my area are always conscious of our trade in exports and imports because we live on one of the great trade arteries of the world. Therefore we have been encouraged this last few years to see the $713 million trade deficit we inherited from the former government being whittled away until last year when we saw a trade balance for the first time in nine years. I commend the Minister of Trade and Commerce (Mr. Hees) for his aggressive policies, the hard work of his department and the assistance given to him by other ministers to bring this about.

We were also interested in the comments in the speech from the throne indicating that the world outlook still contains dangerous aspects, but that there is cause for cautious optimism and that the processes of conciliation and negotiation are in progress or are in prospect on many important issues. Canadians have reason to be proud of Canada's position in world affairs. Canada is well known to be a leader in the most important problem of our time, namely, disarmament and the efforts to set up mechanism whereby we may reach peaceful solutions to world problems.

We are also well known for our efforts to bridge the gap between the very wealthy countries of the world and those less wealthy, to bridge the gap in average income of about $2,500 in some countries as against an average income of less than $100 per year, all that is enjoyed by a third of the world's population. We have not just talked of these things. Canada has contributed fully in such well known projects as the Colombo plan, UNICEF, education in Africa and refugee programs of all types.

Last fall at the sixteenth session of the United Nations Canada spearheaded the awareness of the hazards of radiation brought about by resumed nuclear testing by the Soviet union, with the successful result that the general assembly gave high priority to the annual progress report of the scientific committee. Canadian scientists have worked very hard on that committee ever since it was first established in 1958.

Canadians have worked equally hard on other important committees of the United Nations, some very well known and some less well known such as the outer space committee. Also last fall, Canada's long standing interest in the development of international law was recognized and a Canadian was elected to the international law commission. We have full reason to be proud of the fact that the deputy under secretary of state for external affairs, Mr. Marcel Cadieux, had such a large majority in his election.

In September, 1960, our Prime Minister, the Right Hon. John Diefenbaker, spoke to the United Nations and recommended the use of surplus foods to feed the world's hungry. Again Canada's contribution was not just a high sounding ideal. Last fall this proposal was piloted through the second committee by our colleague, the hon. member for Parry Sound-Muskoka (Mr. Aiken), who deserves much credit for his hard working efforts. He not only showed Canada's awareness of the problems involved in food producing countries but also the problems of the agriculturists in the recipient countries, with such unqualified success that the world food program was supported unanimously.

I could elaborate, long beyond the time allowed, on the facts of our position and our prestige in world affairs. If our position is to be challenged then I feel obliged to answer the challenge by relating my own personal experience. I had the honour to serve all through the sixteenth session of the United Nations last fall as Canadian delegate on the third committee and I must say the sentiments reported earlier in this debate by the hon. member for Burnaby-Coquitlam (Mr. Regier) are exactly opposite to anything I heard there.

Lest anyone should think that I too am indulging in political in-fighting, I have no hesitation in reporting here, as I have reported privately, the number of friendly greetings I brought back to the Leader of the Opposition (Mr. Pearson). I might also add, Mr. Speaker, that I find this quite natural. When the Leader of the Opposition

was secretary of state for external affairs Canada was liked and respected, and she is still equally liked and respected. Indeed to me it is very sad that Canada's outstanding, admirable position should be tossed about in this chamber for political reasons.

I regret that the hon. member for Burnaby-Coquitlam is not in his seat at the moment. He is fond of reiterating the right to his own opinion. I am his junior in this chamber. I hope that fact is so self-evident as not to need too much reiteration, but it has always seemed to me rather strange that opinions which are unique to an individual should by that fact alone be considered any the more true. It is our system to respect minority opinions but I feel I need not apologize for belonging to the majority view, and certainly this is the majority opinion. I heard no other opinions expressed at the United Nations, and Canada's position and prestige are very high indeed. In all fairness to the hon. member he did say that he was at the United Nations for a short period. Possibly to some extent that may explain the differences in our opinions.

At any rate, as I served daily on the third committee and talked to each and every member of the committee, and to many of their friends on other committees, I heard none of the disparaging reports which he seemed to have heard. Many of the African delegates are young, with youthful enthusiasm and frankness. Many of them expressed their preference for our system of government, for the freedom of the western way of life; but they also expressed the need of our proving ourselves, of our proving our good faith, and they commended Canada for her obvious good will and for our very real efforts at understanding. The Secretary of State for External Affairs (Mr. Green) epitomized for them this honourable and honest dedication to the good of all that they were seeking, and there was a predilection to trust all Canadians because of the calibre of our foreign minister. His efforts for disarmament, combined with his broad humanity and irreproachable character, may have a deeper significance than that expressed by those who feel as we do.

It seems to me that there is a growing desire in the Soviet union itself to find common grounds with us. Far be it from me to pose as a world traveller, much less an expert or commentator on world opinion, but I should like to say that I found the same friendship and good will in the parts of the world that I visited as was reported by the Minister of Veterans Affairs (Mr. Churchill) in the parts of the world he has visited.

Last summer I motored many thousands of miles through parts of Russia. I visited Minsk, Smolensk, Moscow, Novgorod and Leningrad. We met many Russians who expressed their liking for Canadians as individuals and expressed an interest and awareness in our common problems of climate, geography, great distances, etc. They also expressed the faith that Canadian individuals were like individuals in all countries of the world. Like us, they wanted peace and they expressed the hope that our governments can achieve this.

This seemed to me a vast improvement over their previous declarations of the complete infallibility of their own government, and this is very encouraging. One other very encouraging fact is evident; they want peace and we are looking for the same strength to work toward this aim from other countries of the world.

We cannot undiscover dangerous or troublesome knowledge. We have added to our store of knowledge two very burdensome factors, nuclear discoveries and the awareness of the world's hunger. Whether we like it or not, we have a great deal of development to do, both morally and politically, to deal with these facts. It has been said that to the extent that our foreign policy is humane and reasonable it will be successful, and to the extent that it is imperialistic and aggressive it will fail. I feel most strongly that our foreign policy is humane and is reasonable.

I am proud of the prestige of our country. I am proud of our contribution to the United Nations, which works sometimes dramatically, sometimes undramatically, but always steadily under the unavoidable weight and pressure of 104 nations discussing, debating and persuading.

That this does not take hard work and infinite patience can only be said by those who have no actual knowledge of the mechanics of such an undertaking. It is to be hoped that there will come the day when the members of the United Nations think as members of this parliament, when individuals will not consider raising an army to wipe out those who hold different views, where the primitive urge to solve one's own difficulties and inadequacies will not take the form of striking out arrogantly against others, but in a reasonable admission of need and a faith in the good will of others.

In recent weeks the prime minister of the United Kingdom has spoken in support of statements made by his very respected foreign minister, Lord Home, and again they have displayed the well known British ability for facing facts. It would do no one any good to ignore the difficulties of the United Nations. Certainly there is the danger that unclear resolutions will make it difficult for the secretariat to carry them out. Certainly it is complex, and some governments abstain

in desperation of finding the right decision. Certainly countries do vote on programs that they do not help to finance.

It seems to me that these and other difficulties can be overcome. Enunciating them clearly may help, but this is not to be considered a suggestion of disbanding our greatest hope of all. When one considers the possibility of freeing the world from fear of war, from pain of hunger and disease, for the development of world law and the development of a law of outer space, it seems to me that we cannot afford the luxury of impatience or resignation from further efforts.

Indeed, at the present time we should be particularly encouraged by the astonishing change of historical patterns in Europe, whereby Britain contemplates a change in her independence and whereby other countries of Europe who have killed one another for many centuries are now co-operating toward common goals. Proof is indeed being given to the communist world that we can co-operate, that we can make unexpected and successful adjustments to their cold war threats, that we have infinite possibilities for economic growth, for production, for the exchange of goods and an increased standard of living. This adaptability and spirit of compromise will not go unnoticed in the new countries of the world.

There are about 800 million people with new independence striving desperately to establish themselves under this system. They do not want to lose their precious new independence to communist imperialism, which they recognize full well and also fear. Neither do they want war, and they are looking to us to bolster their faith that our free governments have the ability to look beyond war preparedness and to meet the challenges of economic competition both with one another and with a communist world. The success of 300 million free people working together in a common market may be the greatest proof we have yet had that our way of life has adaptability and ability in this regard.

In the chain of world governments Canada is a strong link. We are an inspiration to these new countries, an example of the civilized way in which widely divergent races, divergent religions, divergent geographical parts can be welded together voluntarily without force or bloodshed into a nation. It is right and proper that Canada should be a leader at the United Nations; that she should carry forward into world affairs a faith that this is possible amongst the countries of the world. Certainly the difficulties are astronomical, but we have gone a long way in 16 years. The very fact that 104 nations now overcome the handicap of distance, language and finances to meet together in annual sessions at the United Nations is proof of this. Nothing comparable to this has ever occurred in the history of the world.

The tragedy of a collapse of this world parliament and all it promises in human development seems to me to be too heartbreaking to even contemplate. There is no alternative; we must continue our efforts, not despite bloodshed in the Congo, not despite colonial issues and racial discrimination, but because of them. We are living in a period of breakthrough. The scientific breakthrough can be measured, and weighed and seen, but the philosophic breakthrough is none the less real.

I bring back from the United Nations a firm faith which I feel it my obligation to express to my colleagues in this chamber. If it is naive to be optimistic, Mr. Speaker, then I am naive. May I in closing express my very great pride in the fine work done by Canadian civil servants abroad. Their unselfish and generous assistance to official delegates as well as unofficial travelling Canadians is envied by many other countries of the world. It is our good fortune last fall in New York to have the advantage of an experienced ambassador and his excellent staff. Ambassador Ritchie takes with him on his new posting to Washington the good wishes of a host of friends.

This year's delegation had the benefit of the groundwork of good will which previous delegations and our permanent mission in New York had laid for them. I believe—I feel certain—that next year's delegation will find this in no way depleted.

(Translation):

Mr. Azellus Denis (St. Denis): Mr. Speaker, the debate on the address in reply to the speech from the throne has been adjourned for so long and that speech contained so little that I even wonder if I remember anything about it.

I remember that I wanted to extend New Year's greetings to the Prime Minister (Mr. Diefenbaker), but I believe they are a little belated now. At any rate, better late than never.

Besides, that is the policy of the present government: to do too late what it should have done earlier. Nobody is to blame except the Prime Minister who once again has not kept his word. Once again, the Prime Minister makes promises right and left and does not keep them. Thus, he asked the consent of the house to discuss emergency measures. When he said that these comprised grants designed to help western farmers and one or two other

measures, the Leader of the Opposition (Mr. Pearson) asked him what were those other measures, and the Prime Minister replied as follows:

> Might I just add this, because I want to be as fair as the Leader of the Opposition. There is also the program in connection with winter works. I do not go beyond those two.

You see how the Prime Minister keeps his word. We agreed to discuss grants for western farmers because that was an urgent matter and those people needed money without delay. We thought the government would put those estimates before the house much earlier since the damage goes back to a year ago; they could have been voted last fall.

The second urgent measure dealt with winter works. It was high time, indeed, since we are now in February. We agreed to consider those two measures before continuing with the debate on the speech from the throne. In fact, if the government had to introduce those measures on the grounds that they were extremely urgent, it is because they procrastinate. Well, those emergency measures were to be the only two the house would have to consider before the continuation of the debate on the speech from the throne as the Prime Minister promised, according to page 7 of *Hansard*.

The number has now reached 13 or 14.

We have had to vote even before the end of the debate on the address in reply to the speech from the throne, that is, without the government having obtained the confidence of the house. Naturally, I do not think that the government, with such a "small" majority, was in any danger of not getting the confidence of the house.

Rumours of a forthcoming election were in the air; of course, there was also some talk to the effect that these "small" legislative and social measures would help a little to patch up the popularity of the present government. That is why a dozen or more social measures designed to please different little groups have been put forward. Here, a boat; there, a little branch line; elsewhere, a grant. All that, plus the $10 increase in the old age pension, gave us the impression that a general election was coming. That is why the session started at the wrong end. I am wondering whether we have reached the point where we will begin with prorogation and end with the speech from the throne.

Mr. Valade: Just like Mr. Lesage in Quebec.

[Mr. Denis.]

Mr. Denis: That is what is called putting the cart before the horse. On the other hand, those social measures we have adopted have been discussed in many speeches by our hon. friends opposite, although there was no disagreement about them. However, they gave to some of them the occasion to prepare a well-written speech, to have it printed and to distribute it during an electoral campaign in anticipation of the election to be called any day.

But, as usual, the government is undecided, as are its ministers. I think that so far there have been seven or eight announcements of a forthcoming election.

We were happy, we were for the bilingual cheques.

It should be noted that the measure concerning bilingual cheques will come into force only after existing stocks of cheque forms and those already on order are depleted.

Mr. Grafftey: That is better than waiting for 22 years.

Mr. Denis: Now, approximately 60 million cheques are issued each year. To a question I asked in this house, it was answered that the government, at present, had a stock of about 30 million cheque forms; it means that the measure will not come into force before six months.

Mr. Ricard: It is better than 22 years.

Mr. Denis: I wonder why the matter was so urgent that it was necessary to disrupt our parliamentary procedure to deal with it. Surely, it was not to pass a measure which could not come into effect before six months.

Mr. Deputy Speaker: I am sorry to interrupt the hon. member but I see it is six o'clock.

(Text):

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

(Translation):

Mr. Denis: Mr. Speaker, before recess I was saying that if the debate on the address in reply to the speech from the throne has been delayed it was the fault of the Prime Minister who, having promised to introduce two urgent measures, had adopted a dozen or more, because, apparently, he had to please the Canadian electors, since election rumours were in the air.

I was saying also that those measures were not urgent because most of them had a retroactive effect. Take, for instance, the

social measures; they are retroactive to the first of February. Consequently, if the speech from the throne had been completed, that is four days later, this government would have obtained the confidence of the house, and it could then have had those measures approved after having obtained the vote of confidence, which is a normal procedure in our democratic institutions.

Consequently, since I wanted to wish a happy New Year to the members, to the ministers and to yourself, Mr. Speaker, I will take a leaf out of the government's book and offer you my best wishes with retroactive effect.

These session openings have had one good thing, especially these last four years, in that they allowed members to find out what kind of ministers they have, to see them in a group, and finally to know who are those who head such and such a department, because, as you know, there have been many changes in the Conservative ranks in the last six months.

And then you know also that our ministers are great travellers, beginning with the Prime Minister himself.

Some newspapers even claim that last year the Prime Minister travelled 100,000 miles, while some of his ministers were in Egypt, others in Israel, others in Japan, Mexico and in the Cameroons.

I fail to understand them; they don't miss a single event outside the country; be it a conference, a centennial celebration or even a stag party. There are more ministers abroad than here when there are important meetings in this country.

Take for instance my friend the Postmaster General (Mr. Hamilton), when hundreds of people gather to meet him, he is always absent; sometimes, he is in the Cameroons, some other time in Nigeria, etc.

So, if the Prime Minister has reached his one hundred thousandth mile, I submit he should consider changing his engine.

I think there must be some carbon on his pistons.

(Text):

Mr. Pallett: It is a low grade of gas the hon. member is using in his motor.

(Translation):

Mr. Denis: I am not the one who says it; it is some of our great Canadian cartoonists; here is a sample by one of them. Good Canadian citizens are looking up in the air while planes are criss-crossing the skies, and one of them says:

(Text):

Heck, no! that ain't the entire air force on the move. That's just Diefenbaker flying back 'n' forth all over th' country.

(Translation):

I am not the only one to notice that situation. I commend the government for having opened the session here in Ottawa. I think it is the most suitable place for that.

Our ministers started the habit of meeting everywhere. They went to Quebec. I do not know whether it is because of the resulting fiasco, but we heard that the next meeting of the cabinet would be held at St. Pierre les Becquets. To announce what? Useful things? To announce "bread and games" as would say the hon. Associate Minister of National Defence (Mr. Sevigny), honorary appointments to the privy council, etc.

Mr. Pigeon: Surely not two flags like your leader.

Mr. Denis: Mr. Speaker, I feel that the new Minister of Mines and Technical Surveys (Mr. Flynn) was privileged in that the whole federal cabinet displaced itself for his appointment. By the way, I heartily congratulate him, because I know he is competent. He well deserves the praise which was given to him; I suppose so and I venture to think so. But I think that the government has overlooked his talents too long and that his appointment comes too late. As a matter of fact, the next general election is only a month or two away. If the minister is so intelligent and talented, why has the present government not appointed him earlier.

It is not that there was no room in the cabinet, since it was rumoured that certain ministers would be replaced by others. At all events, I congratulate the new Minister of Mines and Technical Surveys, but I still feel that his appointment was only a show, mere window dressing.

The whole cabinet was displaced, including the present Minister of Mines and Technical Surveys, the Minister of Transport (Mr. Balcer)—who were probably with their families or here in Ottawa—to inform the public of a simple routine matter, merely an appointment to the privy council.

If at least on the occasion of that great pilgrimage, the Prime Minister had confirmed the Associate Minister of National Defence in his duties, he might have had some success, some publicity. If at least the Prime Minister had announced the appointment of the hon. member for Roberval (Mr. Tremblay) as chairman of the centennial celebrations, well and good.

Mr. Tremblay: Now he does me the honour of naming me.

Mr. Denis: I am glad—

Mr. Tremblay: Idiot.

Mr. Denis: I would only wish that the hon. member for Roberval be appointed chairman of the centennial celebrations. Perhaps that would bring him back to normal and cure him of those whims he has periodically.

Coming back to the speech from the throne, I must say quite frankly that even though they spoke at great length, the mover and seconder of the address did not say much. They were eloquent but unfortunately they did not have much to say since they were speaking of the speech from the throne.

They showered praise on their leader but that was only natural. Indeed, the Prime Minister could not have made a better choice for someone to praise him. They spoke of extraordinary improvements and of the dynamism of the present government. The word apotheosis was used. They called the Prime Minister the father and grandfather of confederation and so forth. However, they forgot to say why they gave him that title.

Mr. Pigeon: What do you think of Mr. Pickersgill's two flags?

Mr. Denis: Mr. Speaker, you have heard the interruptions. Will that be allowed to continue indefinitely in the parliament of Canada?

Mr. Deputy Speaker: Order. I would ask all hon. members not to interrupt from their seats. The debate could thus follow its normal course.

Mr. Denis: Thank you, Mr. Speaker, but I doubt if your warning will be enough to put an end to the interruptions. Let us hope that we will have order for a few minutes at least.

The speech from the throne smacks of election; one group is given one thing, another group, something else; grants are given to one, a ferry to another. Definitely, there is an election in the air.

What about the old age pensions? Naturally, the Conservatives were peeved because the Liberals' pension program was much better than theirs. They thought they could go one better. All this strangely recalls Mareaut's book entitled "The Art of Fooling the Voters". It is possible not to do anything for four years and get away with it, as long as, just two months before election time, you increase old age pensions. Mr. Speaker, I ask you, is this the way to run a country?

Mr. Pigeon: It is better than $6.

Mr. Ricard: How painful this must be to you.

[Mr. Tremblay.]

Mr. Denis: The government has ignored the unemployment situation, it has ignored the common market problem. It has ignored—

Mr. Ricard: We give to the old.

Mr. Denis: Mr. Speaker, I had told you that your warnings would be of little avail.

It is not the first time that we hear the hon. member for St. Hyacinthe-Bagot (Mr. Ricard) whimpering, he who was opposed to the construction of the trans-Canada highway and who now favours this project, now that the Quebec government has decided to carry out work on this highway, in co-operation with the federal government, and that work will provide more jobs for the people of Quebec than the famous winter works program.

Mr. Pigeon: What about joint projects.

Mr. Denis: Mr. Speaker, you have heard the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) interrupting me, just like his colleague from St. Hyacinthe-Bagot. And yet, those two were opposed to the construction of the trans-Canada highway. On the other hand, the moment construction was decided and now that it provides work for Canadians in Quebec, one is unhappy because the highway does not go through his home town and the other is angry because it goes through his. You have heard the member for St. Hyacinthe-Bagot cry and say: "This cuts through the land of my electors!" And the other one objects because it does not go through his constituency.

Mr. Pigeon: Mr. Speaker, may I ask the hon. member a question?

Mr. Denis: No, Mr. Speaker.

An hon. Member: The smashing team has wrought havoc in the province.

Mr. Denis: You will note, Mr. Speaker, that the hon. members do not seem to have heeded your warnings and I should like you to warn them more explicitly.

Mr. Speaker, a study of the speech from the throne, indicates that a quarter of it concerns the coming of distinguished visitors to Canada. There is a reference to the discovery of Canada, and a review of the world situation. It is said we are in favour of peace and against war but there is nothing to say how we will preserve peace and protect ourselves against war.

The speech also refers to assistance to underdeveloped countries under the Colombo plan, a charitable initiative that the Liberal party inaugurated and that our hon. friends, who are always interrupting, fought tooth and

nail, with their friends of the Union Nationale. In fact, you will recall that in the province of Quebec, their friends of the Union Nationale took pleasure in repeating all the time Duplessis gives to his province but the Liberals give to other countries. Do you know what they have done? They have doubled the amount of our contributions and now, they approve of the plan.

Mr. Pigeon: Why not quote what we said?

Mr. Denis: They go a little further. They talk of the support Canada gives to the North Atlantic Treaty Organization. Something new. Another Liberal initiative for which the Conservatives try to take credit. However, it is the continuation of a fine Liberal piece of work.

Mr. Valade: Talk about conscription.

Mr. Denis: And the government goes even further. In fact, the speech from the throne announces that the government follows closely the negotiations regarding the common market.

Mr. Speaker, you heard about Accra. You know in what way the government, and especially certain ministers, follow closely the negotiations regarding the common market. One would rather be inclined to think that they follow them from afar. Some say: We will try to join the common market. Another minister says: No, we cannot do it. That is the policy of the present government.

Mr. Ricard: Listen to the clown of the opposition.

Mr. Denis: Mr. Speaker, the present government—

Mr. Ricard: The clown of the opposition.

Mr. Denis: Mr. Speaker, the hon. member is making that remark for the second time. You have heard that serious-minded gentleman who is always talking about kill-joys.

Mr. Ricard: The clown of the opposition.

Mr. Denis: The brain of the Conservative party.

The present government states that it is in favour of world trade—because it claims to have discovered that we are an exporting country. The first thing it did when it came to power was to reduce by 15 per cent our trade with our best customer, the United States.

That is how the government decided to act with regard to our exports to countries anxious to buy our products.

A little further in the speech from the throne, we can read this, which is a good example of the logic of our Conservative friends, I quote:

> My government plans to recommend to you a number of measures that will constitute further steps in working out the purposes of confederation and identifying more clearly the Canadian nationality in various aspects of public and business affairs. With this purpose in mind, you will be asked to give effect, with modifications, to the recommendations of the royal commission on publications.

Mr. Tremblay: He is the joker of the opposition.

Mr. Ricard: He is the joker of the opposition.

An hon. Member: You do not understand anything.

Mr. Denis: It is as if somebody said: My daughter is deaf and dumb, I will have her eyes examined.

Mr. Tremblay: Have his head examined.

Mr. Denis: Speeches from the Conservative benches have a hollow sound.

With respect to winter works, the Associate Minister of National Defence said that Mr. Lesage was in favour of them since he contributes on a 40 per cent basis. I would say, Mr. Speaker, that if the winter works program was successful to a certain extent in the province of Quebec, it is entirely due to Mr. Lesage.

Mr. Duplessis, the close friend of Conservative members from Quebec, who disown him today because it is not suitable any more—

Mr. Valade: Tell us about the joint programs.

Mr. Denis: —supplied nothing. Yet, Mr. Duplessis was the unemployed's great friend. But Mr. Lesage supplies 40 per cent. He even offered this government to share the material costs. Under the Duplessis administration, the friends of our Quebec Conservatives, only 169 municipalities out of 1,540, I think, took advantage of the winter works program. But, thanks to Mr. Lesage, 875 municipalities in Quebec, that is a large number of municipalities than in all the rest of Canada in 1958-59, are now benefiting from that program.

An hon. Member: Tell us about hospitalization insurance and its complete failure in the province of Quebec.

Mr. Denis: Hospitalization insurance enables citizens in the province of Quebec to get benefits derived from taxes levied to that end, whereas, under Mr. Duplessis and his

Conservative friends, we were paying taxes for hospitalization insurance without getting any benefits, Mr. Speaker.

Now, Mr. Speaker, there is talk of reforming the Senate, at the very moment when it becomes useful, at the very time when a minister is prevented from becoming a dictator, by taking a final decision with regard to imports we may allow from the United States or elsewhere, and the tariffs we are going to charge.

You want to make changes in the Senate at the very moment when it—

Mr. Tremblay: At the very moment when it is waking up.

Mr. Denis: —at the very moment when the Senate is justifying its function and when it enabled a man to be heard before being sentenced. And if perchance, the Senate has lessened in value, it is hardly to be blamed on the opposition. Indeed, if you take note of all recent nominations, you might draw your own conclusions, Mr. Speaker.

In the speech from the throne, there was talk of a redistribution of seats. A commission was to be appointed to do so. We have now reached the 15th or 16th commission. Our friends, the Conservatives, Mr. Speaker, never lived up to their responsibilities. They appoint commissions and make investigations, they excite people, but never decide anything. They are undecided, irresponsible people who complain because things are not going well. They put the blame on previous administrations.

Mr. Tremblay: The same happens in Quebec.

Mr. Denis: But, when it comes to carrying out their responsibilities, there is never any action. A section of railroad has just been voted for Gaspe, and that is alright.

Mr. Pigeon: Are you against it?

Mr. Denis: A small piece of railroad in Gaspe. That is fine. Gaspe was said to have been forgotten, abandoned—

Mr. Pigeon: That is so, by Mr. Chevrier.

Some hon. Members: Hear, hear.

Mr. Denis: —very well. If that area is developed, and becomes a progressive and prosperous district, it will mainly be thanks to Liberal administrations. For 16 years Mr. Duplessis was premier of the province of Quebec. What did he do for the Gaspe Peninsula? Nothing.

Mr. Tremblay: Mind you, he beat the Grits.

Mr. Denis: The new leader of the opposition in Quebec who, at the time, was a minister, what has he done for rural electrification? Nothing. What was the hon. member for Gaspe (Mr. English) doing? Nothing. He was one of Mr. Duplessis' deputy ministers.

So, if the Gaspe peninsula has been abandoned, the fault does not lie with either the Conservatives or the Liberals, but rather with your friends you are now disowning; it depends on Mr. Duplessis, on the Union Nationale, on the member for Gaspe, on the member for St. Hyacinthe-Bagot and on the member for Joliette-L'Assomption-Montcalm, who have disowned these people, who have abandoned the Gaspe peninsula.

Mr. Pigeon: You have been denounced as a collaborator at the Reform Club.

Mr. Denis: Our Conservative friends from Quebec are making a lot of fuss about assistance to the universities. Yet, they were against it when we were in power. Today, the amount of the grants has doubled. You see they are now in favour of them. They were black yesterday, they are white today. They were worshiping yesterday, they are now burning what they worshiped. This is the true picture of our good Conservative friends from the province of Quebec—and I am not telling the whole story.

An hon. Member: Skip parts of it.

Mr. Denis: Let us talk now about the Jacques Cartier bridge and the abolition of tolls. There has been a lot of talk about that for a long time; but the federal government of our Conservative friends has been stung to the quick by the hon. member Pierre Laporte who, during the last by-election in Chambly, was in favour of the abolition of those tolls.

Why are tolls on Jacques Cartier bridge not yet abolished? It is because we had Mr. Duplessis in Quebec, while here in Ottawa, under the Liberal regime, we were prepared to settle that matter. But the municipality of Montreal, the province of Quebec as well as Ottawa were parties to that dispute.

Mr. Pigeon: It was Mr. Chevrier who refused.

Mr. Denis: They are the same fools, Mr. Speaker, who are interrupting me; make no mistake about it.

Mr. Valade: Mr. Chevrier was refusing.

An hon. Member: Order.

Mr. Tremblay: Here comes the second act.

Mr. Denis: Here is what Mr. Chevrier stated on May 5, 1953.

> The last time I took the floor in this house on the matter, in February 1951, I said that the federal government would be glad to hear the remarks of the province and the municipality about the abolition of those tolls. We have heard nothing from either of those two parties.

Mr. Speaker: I regret to interrupt the hon. member, but his time has now expired.

Mr. Denis: So much the better for the Conservatives.

Mr. Ricard: Do not regret anything!

(Text):

Mr. R. D. C. Stewart (Charlotte): May I take this opportunity, Mr. Speaker, of extending my congratulations to you on being appointed Deputy Speaker of this house. I am sure that you will preside over the deliberations of this assembly properly, honestly and fairly. I should like also at this time to extend to the hon. member for Quebec South (Mr. Flynn) my congratulations on his appointment as Minister of Mines and Technical Surveys. I should like also to extend my congratulations to the mover (Mr. Bourdages) and seconder (Mr. Browne, Vancouver-Kingsway) of the address in reply to the speech from the throne. Both gentlemen acquitted themselves ably. They not only brought forth the program of this government, but they brought prestige and honour to their own constituents.

During this debate, which was adjourned so that beneficial legislation might be enacted, we have heard much criticism. We have heard many statements regarding the failure or the inability of this government to solve the problems of the country. I listened very intently to the Leader of the Opposition (Mr. Pearson) speaking in this debate, because as leader of the party that now claims to have all the answers I thought he would bring to this country some hope, some encouragement and some light on the problems facing it. Every country in the process of development has problems. When we cease to have problems, we cease to grow. Progress means change, but all change is not progress. I failed to find anything in his remarks that would lead the people of Canada to return to this house those who governed the country before 1957.

The tactics of the Leader of the Opposition, and I am sorry he is not in his seat tonight, remind me of the story of the farmer with the balky donkey. He was asked by one of his neighbours whether the donkey led or whether he did the driving. His answer was, I keep close to the donkey so that people cannot tell who is leading and who is driving. I wonder if that is not the position of the Leader of the Opposition. I have had a good deal of respect over the year for him.

At one time he occupied a very important place in the life of Canada but the speech he delivered was beneath him, and I say that sympathetically. It was the voice of the Leader of the Opposition but the sentiments were apparently those of someone else. When he visited my constituency in 1958, as chairman of the school board I arranged for him to speak to a local class. I listened to him and he made a fine speech. Now I wonder what those boys and girls would say on hearing him decrying the position of Canada and saying Canada has lost prestige abroad.

I want to be fair to the Leader of the Opposition and I want to put on record the statement which he made, as recorded at page 40 of *Hansard*:

> I have no doubt that when the time comes we shall have a full debate on international affairs at which time we shall be able to examine why, among other things, Canada's influence in these matters has declined rather than increased in the last four or five years.

What would those same boys and girls think of him when he criticizes the Secretary of State for External Affairs, a man who has done more to keep the name of Canada high in the councils of the world than any other man has done? He is a Canadian, a man who fought for peace on the battlefield and he is now fighting for peace in the councils of the world. Surely that criticism was absolutely uncalled for and unjust? The Leader of the Opposition has probably forgotten what the Premier of Sweden said about our minister of external affairs, and I quote:

> Of all the world leaders, the man in the forefront in the fight for disarmament is the Hon. Howard Green.

When he made this statement he was speaking to the United Nations for all the world to hear.

The Secretary of State for External Affairs and the Prime Minister have held the name of Canada high in the councils of the world. Never before in the history of Canada has any prime minister dared to stand up and speak against aggression as has the present Prime Minister. The Minister of Veterans Affairs (Mr. Churchill) replying to the criticism of the Leader of the Opposition, regarding the position of Canada abroad placed on the record of the house for all time a complete answer to that criticism. He stated that Canada's position abroad was never better than it is today. I echo that statement.

Last fall, as a member of the NATO parliamentarian group, it was my privilege to visit with our armed forces in Germany and France and to serve as a member of the military committee. I also had an opportunity of speaking on military matters before the NATO delegates and I found that as Canadians we were highly accepted in the councils of the world. It is beneath the dignity of any man, any Canadian—and this is particularly true of and it applies to the Leader of the Opposition—to stand up in this house to decry and degrade the name of Canada throughout the world. We shall have our difficulties at home. We shall have our arguments and disputes but

let us present a united front to the world, let us show we are Canadians and are proud of our country.

We have heard a lot of criticism during this debate. We have had some criticism from hon. members representing my province. Tonight I should like to examine the record to find out where those great exponents of maritime rights and union were in all the years prior to 1957. It seems to me that, like Saul, they saw the light in 1957, and not before. I am a New Brunswicker. I have lived all my life there and I believe I know as well as anyone else the problems and difficutlies of that province. I have seen its economy change from what was basically agriculture to being more or less dependant on manufacturing, and I say that this government has done more for the province of New Brunswick since 1957 than was done in all the years prior to that date.

The hon. member for Gloucester (Mr. Robichaud) a New Brunswicker like myself, stands up in this house and, to hear him, one would think that all the ills and woes of New Brunswick started when the Conservative party assumed office in 1957. If he has the answers, if his party has the answers then let us examine the record and we shall find some of the answers to capital assistance, to project development, to the assistance that has been given by this government to my province. I am sorry the hon. member is not in his seat as I would like to refer him back to 1951 when the Liberal premier of New Brunswick came to the Liberal administration in Ottawa, that benevolent Liberal administration the remnants of which now sit in those four seats in front.

The premier came to Ottawa seeking assistance for the building of the Cross Point bridge. What did he get? He got the answers, and the answers were consistent. I quote what that Liberal premier of New Brunswick said when he got back to his own province, and this is from the official report of that year:

> The attitude of the dominion government is only understandable as a simple manoeuvre to avoid responsibility by 'passing the buck'. It admitted its full responsibility in 1945 in language so plain that he who runs may read.

Again, further on in that report he said:

> It seems strange that Ottawa can spend millions upon millions of dollars out of the federal treasury in other parts of Canada and in the next breath refuse to honour its constitutional responsibilities on this bridge project about which there can be no question where probably about $2 million are involved.

Contrast that with what the present administration did. In 1957 negotiations were started between the province of New Brunswick, the province of Quebec and the federal government, with the result that we now have the Campbellton-Cross Point bridge which means so much to the people of northern New Brunswick. Did the hon. member for Gloucester, that self-appointed New Brunswick and maritime champion, stand up in this house and ask that all assistance be given to this development in the province of New Brunswick?

Now I move on to other items. When the province of New Brunswick came to this house for assistance in the development of Beechwood they received the same answer from the Liberal government, a consistent answer throughout the years. The answer was no. We were told by the Right Hon. C. D. Howe that as we had no industries in New Brunswick we had no need for power. When we asked for industries during the war years we were told that we had no power to support industries. Regardless of what angle was discussed, the answer was no.

In world war I, under Sir Robert Borden the province of New Brunswick had two munitions plants. In world war II not one single industry was established in the province of New Brunswick. Did the Liberal members of this House of Commons get up and beseech the government of that day to render capital assistance to the province of New Brunswick or to any of the maritime provinces? The Liberal administration never heard of the Atlantic provinces adjustment grants; they never heard of assistance in the development of hydro and thermal power; they never heard of a winter works program, which this year will cause nearly $600,000 to be spent in the province of New Brunswick by the federal government on payroll contributions. Prior to 1957, we never heard of anyone getting up and asking that some of the inequities in the province of New Brunswick be righted.

The hon. member for Gloucester (Mr. Robichaud) never beseeched the government to give some assistance to Beechwood. My predecessor in the house said that Beechwood was not feasible from an engineering standpoint. He did not support the request of the province of New Brunswick.

What happened when this government came into power? Sufficient money was made available at a low rate of interest to develop Beechwood. We got results from this government. All we got from the Right Hon. C. D. Howe was a speech, which certainly did not contribute to the building of Beechwood.

My hon. friend from Gloucester and his cohorts, in those years after world war II when the economy of the province was declining, like Nero sat here and fiddled while

the country declined. What did he do? Nothing. The record fails to disclose anything. In 1944 the Liberal administration had the idea of a massive public works program. They called it the "post-war development program". I know something about it because I worked on it. But what happened? It was put in moth balls and stayed there as far as the Liberal administration was concerned.

The hon. member for Gloucester did not ask the minister of public works of the government he supported to bring that program out of moth balls as capital assistance to his constituency or to the province of New Brunswick. In those years his constituency was receiving roughly $400,000 in public works assistance from my hon. friend's party. Last year they received nearly $800,000 from this government. Is that not capital assistance to the province of New Brunswick?

Then we have in New Brunswick something that means a great deal to the people of my constituency, namely the Campobello-Lubec bridge. I did not create the channel between Campobello and the state of Maine. It was there when the white man came to this country and before. It was there during all the time the Liberal administration was here, and many delegations came up to Ottawa asking that they be given a bridge so that they might have ready access to the mainland at all times. But their pleas fell on deaf ears.

The hon. member for Gloucester did not get up and state, "Oh, I am a New Brunswicker and the people of New Brunswick need this bridge". The record shows that there was not one word from him, and not much more from my predecessor. He did ask the Hon. Robert H. Winters to table the correspondence in this house, and if you examine the correspondence you will find that the Hon. Robert H. Winters disclaimed any responsibility in connection with the project. However, I wish to be fair. He did indicate that the federal government might pay 50 per cent of the Canadian cost, and that is where the matter lay until this government assumed office in 1957.

In 1958 the Hon. Howard Green, who was then minister of public works, had caused to be enacted a bill making the Campobello-Lubec bridge possible. The island of Campobello is now connected to the state of Maine by girders of steel and before too long, within a matter of a few months, that bridge will be open for traffic and will provide a safe means of egress and exit from Campobello to the state of Maine.

I say that the Liberal candidates in New Brunswick will have some difficulty convincing the people of Campobello that the Liberal party has the answer. They certainly did not have the answer to the plea from the people of Campobello. I give my hon. friend from Gloucester credit for having some knowledge of the fishing industry; but when the government that he supported cut the fishery estimates for the province of New Brunswick by nearly $400,000, not one single word did he utter in protest. Yet he stands up in this house and says this government is not doing what it should regarding the fisheries.

Before I resume my seat I wish to place on the record some figures regarding fishery expenditures in the town of St. Andrews. Prior to the advent of this government it was rumoured that the fishery station was to be moved from the town of St. Andrews in the province of New Brunswick, and yet my predecessor in this house and his cohorts from New Brunswick raised no protest. But if my hon. friend would examine the figures he would find that this biological station, and fisheries research board is very important to the economy of New Brunswick.

I should like to place on the record of this house some of the expenditures over the years since this government has been in office. I will give these amounts in round figures. In 1957-58 the sum of $240,000 was spent on new construction, on salaries and wages, $480,000; on research, including salaries and wages, $659,000; on maintenance $36,000. In 1958-59, there was spent $93,000 on new construction; $543,000 in wages and salaries, $712,000 on research, $43,000 on maintenance. In 1960-61—I have the figures here—we spent in St. Andrews $82,000 on new construction; $595,000 on salaries and wages; $757,000 on research including salaries and wages; on maintenance $48,000. In 1959 we spent nearly $500,000 in St. Andrews on new construction.

Surely the hon. member for Gloucester (Mr. Robichaud) cannot say that this government is not assisting the fishing industry in the province of New Brunswick. When the government that he supported was in power we spent about $57,000 a year on shipping construction for the fishing industry. That amount has been doubled, and with the increase in the subsidy it will be further increased. We increased the subsidy on fishing vessels from $165 a gross ton to $250 a gross ton. We provided a 40 per cent construction subsidy for other types of vessels. There are now being built in the constituency and in the adjoining province of Nova Scotia a great number of vessels which will add to the efficiency of the fleet. The hon. member talked the other day about a 6.6 per cent decline in the fishing this year. Let me refer

to some other figures. These appeared subsequent to his figures, and I quote:

> The landed value of fish and shell fish in the maritime provinces during the month of December amounted to about $4 million or $800,000 greater than the average of the previous three years. This increase came about primarily as a result of favourable weather and prices during the lobster season in western Nova Scotia.

Further on, it says:

> Fishermen's income from the sale of shellfish reached record levels in December, 1961. The landed value of these species amount to $3.2 million and was $1.2 million greater than in 1960 and $1.0 million greater than the average of the years 1958-60. This increase occurred largely as a result of excellent catches of lobsters and scallops—6.2 million and 0.5 million pounds, respectively.

I quote those figures not to suggest that everything is right with our fishing industry or that we are living in a state of utopia. However, I say that this government has taken effective measures to assist the fishing industry in New Brunswick and the maritime provinces.

The hon. member for Gloucester and other speakers from New Brunswick have referred on numerous occasions to the Chignecto canal. The Chignecto canal would, no doubt, contribute greatly to the economy of the area but I sometimes wonder if we have not overlooked one basic fact. What would be the effect of an equivalent amount of money spent in the development of secondary industries in the area? The Chignecto canal was an issue when hon. members opposite were in power. There was a Chignecto committee which came to this house in 1950 or 1951, and some of the hon. gentlemen who now sit in the front row on Your Honour's left sat in on that conference. One did not hear however that any action had been taken as a result of that conference. They had the answers, but apparently they kept them to themselves because no benefit was ever forthcoming to the province of New Brunswick.

The hon. member for Kent (Mr. Michaud) referred to the development program, and I agree in the main with his submission. We need some assistance but we shall not get the assistance we need unless we are prepared with the united front. Certain inequalities do exist in the maritime province but I will say, as I said before that the present Prime Minister (Mr. Diefenbaker) has done more to level out those inequalities than any other prime minister in the history of this country. The people of New Brunswick—and I speak entirely for my own province—have full confidence in the Prime Minister and I think I can safely say the indications are that we shall be back in equal force, if not in greater force, after the next general election.

[Mr. Stewart.]

Mr. C. R. Granger (Grand Falls-White Bay-Labrador): In rising to participate in this debate I should like first of all to congratulate you, sir, on your elevation to the high position you now hold. I should also like to congratulate the hon. member for Laval (Mr. Bourdages) who moved the address in reply to the speech from the throne and the hon. member for Vancouver-Kingsway (Mr. Browne) who seconded the motion.

I come from a province which historically has lived by international trade. The reference to trade in the speech from the throne is of particular interest and importance to those of us who come from Newfoundland.

Broadly speaking, there is cause for serious reflection in respect to Canada's position in this world of trade. Not only does the province from which I come live by trade, but this whole nation lives by trade. In this world of change—and it has always been a changing world, and will almost certainly continue to be so—there is need for a forward looking, imaginative attitude toward the problems of today. The formation of trading blocs, the changing pattern of European commerce, the immense increase in productivity and prosperity in other lands make it vitally important that the government of Canada and the industry and commerce of Canada should not only adjust themselves to the changes which have taken place and which are now evolving, but anticipate them and do some vigorous thinking, followed by equally vigorous action. This must be done if Canada is to regain her place in the word of international trade, and this can be done. In our system of free enterprise, our resources, our land, our forests and our waters we have the food, the minerals and the materials which are the basic needs of humanity. We also have the people who can produce and manufacture the articles and the food needed by the world. However, we need a more definite and more imaginative policy in government in order to give the leadership which is so essential and the political climate to lend confidence which is also both requisite and necessary.

As European countries seek to work out their own destiny by freer trade amongst themselves and as the United States hasten to shape their trading policy in order to meet these new developments abroad, is it not of paramount importance that Canada also face the facts of today and make the changes which are necessary in order to do business in this world of trade? It has been said that eternal vigilance is the price of liberty. It is also quite true that eternal vigilance is the price of economic survival.

It seems to me that a real change is taking place today in the attitude toward tariff

walls and protective barriers and that the policy of protective trade barriers which was accepted generally during most of this century is now being superseded by a freer trade policy, at least within certain areas. It would seem that the next logical development would be freer trade between these areas.

I suppose that an outstanding example of free trade between peoples in a large geographic area is the group of federated provinces which through confederation became the modern nation of Canada. Confederation made possible free trade between all the provinces, and the spectacular growth of Canada is a justification of the wisdom of the fathers of confederation and of an integrated economic system of free trade within a vast geographic area. As we in this land of free enterprise and enormous resources see the changing trends in the world abroad, is it too hard to visualize a broader application of the principles which worked so well at home so that commerce may move more freely between the trading and economic blocs taking shape in the world today? Far from being dismissed as utopian, the idea of freer trade is realistic and may well point the way to economic prosperity as well as provide a mighty argument for peace.

However, I should like to particularize for a few minutes with respect to trade in Newfoundland. I do this for two reasons. The first one is this. From time to time the Atlantic provinces, of which Newfoundland is one, are referred to as the have-not provinces. The second reason is that I and others from the province of Newfoundland, and I might add the other Atlantic provinces, from time to time make requests for special assistance or special forms of assistance for our fisheries. There is the possibility that hon. members may, after hearing repeated requests for assistance, be inclined to think that we from the eastern seaboard are constantly begging help, that the assistance we receive from the federal treasury is simply a subsidy to bolster an uneconomic region, and that in order to exist at all the Atlantic provinces must be the recipients of federal dole. Nothing is further from the truth.

In fairness to hon. members I may say that they have probably been too kind to put this idea into words. However, I might say, such suggestions have been made outside this house; and repeated utterances with respect to what the federal government has done for the Atlantic provinces are apt to give rise to this thought.

I should like to recount briefly what is the position with regard to trade in Newfoundland. From earliest days Newfoundland depended upon international trade for survival. Prior to our entry into confederation we exported all that we produced and we imported all that we used. I use the term "all" broadly. Perhaps I might say that we exported 90 per cent of what we produced and imported 90 per cent of what we used. However, the fact is that we exported practically all we produced and we imported practically all that we consumed. We imported largely from the United States, Great Britain and Canada. Our fish, wood, pulp and paper and minerals all went to markets outside Newfoundland. Our food and our clothes and the other multitudinous items used in our households and our industries were imported from abroad.

After Newfoundland entered confederation we still exported abroad our paper, minerals and fish, but—and here is the significant difference—we now bought, after Newfoundland entered confederation, practically all our consumer goods from the mainland of Canada. I would call the particular attention of those members representing industrial areas to this aspect of Newfoundland trade. Those members from farming and fishing areas can well understand our problem, for all producers have at least two things in common. The first is that they are the producers of the nation's primary wealth and the second is that they are buyers of the nation's industrial output.

In Newfoundland we provide food and materials which the markets abroad want. We consume the things which the Canadian manufacturer makes. The money earned in Newfoundland is by and large passed on to the industries of Canada for clothing, machines, tools and so on. Most of our foodstuffs including grain products, breakfast foods and all the myriad forms that foodstuffs take, come of course from various parts of Canada of which we are now a part.

There is a partial exception to the above statement. Some of our fish goes to the Nova Scotian plants to be processed for export, but of this I shall say more anon. By and large, the money earned by our exports finds its way into mainland Canadian coffers. I might add that I am not complaining about this situation at all. I merely wish to establish the fact.

We produce thousands upon thousands of tons of paper. The Anglo-Newfoundland Company last year sold approximately $36.5 million worth of pulp and paper. We export fish of various kinds, including dried salt cod and fresh frozen cod and haddock as well as other varieties. In 1960 it is estimated that about $32 million worth of fish was exported. We export iron ore, copper, lead and zinc. In my own district there is the mine at Buchans,

where concentrates containing lead, zinc and copper with some silver and gold are produced.

There are the copper mines at Tilt Cove and Little Bay, with other similar developments in the offing. There is the asbestos mine at Baie Verte soon to come into production. There are also great iron ore developments at Labrador City and Lake Wabush, and the power development at Twin Falls. There, I might say, is one of the great industrial developments of the century. There are new towns with a new modern school, a new hotel, new mills, a busy airstrip, and there as far you can see are mountains of iron ore.

At Labrador City one mill has been built with a pelletizing plant to be constructed soon. The first mine will go into operation early this summer. Significantly, the first mine is called the Smallwood mine in honour of Premier Smallwood whose vision and energy did so much toward making this great northern development possible. Labrador iron and Labrador power will undoubtedly make this area one of the greatest industrial regions in North America.

As I stated before, practically all the fish we catch and the minerals and paper products we produce are sold abroad. The money received in exchange is spent on the mainland of Canada. Prior to confederation Newfoundland was Canada's second best customer. The amount now spent on the mainland by the province of Newfoundland has increased greatly over what it was prior to confederation. Certainly when we ask for financial assistance from Ottawa to improve our fisheries so that we can catch more fish and have more money to spend it must be realized that most of our spending is within Canada and that the Canadian economy profits directly and almost exclusively from Newfoundland's production of fish, minerals and woods products.

I have mentioned before the importance of the woods industry of Newfoundland to the Canadian economy. There is a threat to the forests of Newfoundland which is probably much greater than the threat of forest fires. I refer to the pestilence of the woolly aphid. I call the attention of the Minister of Forestry (Mr. Flemming) to this blight. The Minister of Forestry with his colleagues, the Minister of Northern Affairs and National Resources (Mr. Dinsdale) and the Solicitor General (Mr. Browne), showed an interest in our problems by coming to Newfoundland last summer when the scourge of fire was afflicting our province. I believe the Minister of Forestry is aware of the threat of the woolly aphid and of the fact that some areas are already affected.

[Mr. Granger.]

My information is that 2,000 square miles of forest are affected and that the disease is breaking out in other places. I am told that treatment to control the woolly aphid has to be in the form of severe surgery. I understand it is impossible to counteract the spread of this blight by means of spraying from aircraft and that it is necessary to burn the affected areas. This means the building of more roads so as to obtain access to the principal forests on the island. It may well mean building a road westward from Buchans toward the west coast to reach the valuable forests that lie between this part of the interior and St. George's on the west coast. Certainly the situation is one that needs to be faced immediately and with the utmost vigour.

I have referred to the fisheries of Newfoundland on many occasions in this house. They are still of paramount importance not only to Newfoundland but to Nova Scotia and, in fact, to all of Canada. As I stated earlier, the fish plants of Nova Scotia depend to a large degree on fish caught in Newfoundland waters by Newfoundland fishermen. Although much has been done by both the federal and provincial governments, much remains to be done. What would be very helpful is an extension of the services already in use. I think of the perennial shortage of bait. Although the bait service has been extended, many more bait holding units and cold storage facilities need to be installed.

Investigation and development of artificial bait is highly desirable. The development of bait which would be impervious to spoilage would have a directly beneficial effect upon the fisheries. The Labrador floater fishery, practically dormant for years, is showing healthy signs of making a comeback. As a matter of fact, the rich fishing grounds off the Labrador coast are becoming more and more attractive as the need becomes felt more and more. I would strongly urge the need for more and improved marine works for the fishermen of Labrador and for those who go to Labrador for the fishing season.

The first community stage to be built in Labrador was built at Williams Harbour last fall. This was a federal project. A community stage complete with bunkhouse and cookhouse is being built at West St. Modeste in the straits of Belle Isle. This is a joint federal and provincial project. With the Labrador fishery growing in importance both types of structures are needed badly and I would hope that the federal Department of Public Works will see fit to build more marine works such as wharves and breakwaters in

Labrador in addition to community stages for the fishermen of Labrador and community stages plus cookhouses and bunkhouses for those who come to Labrador from elsewhere to fish during the fishing season. I need not emphasize the fact that the value of small marine works has been proven over and over again. Most of these marine works which are so essential to the fishing communities in northern Newfoundland and Labrador are projects which might be described as small marine works, small wharves and breakwaters, but they are extremely valuable.

The value of the community stage program is beyond question and I must say that it was disappointing to me that the government did not see fit to institute another program of building community stages when the first program was completed last fall. I know that the needs of all fishing communities cannot all be met at once but I do think that if a policy were decided upon whereby 10 community stages per year would be built a great improvement would be effected and within a reasonable length of time many much needed marine facilities would be built in Newfoundland and Labrador. As time goes on the need for community stages is bound to increase as fishing property such as stages, flakes and so on have to be replaced, and as it becomes more difficult to find material the need for community stages will in fact become aggravated.

The replacement of fishing property is a real problem to many fishermen. Improved facilities are needed in order to increase the catch per man and an increased catch is necessary if the fisherman is going to make a real livelihood out of his vocation. As I said before, something has been done toward meeting the basic needs of the fishermen but a definite increase in these services is needed, and needed now.

I maintain that the cost of supplying these services is comparatively small and that it would represent an investment which would pay real dividends. It is not a matter of giving money away without hope of return but rather a matter of investing money so that production may be increased; and I hope it is from this aspect that the needs of the fishermen are viewed. I strongly urge the Minister of Fisheries (Mr. MacLean) and his colleagues to consider actively the supplying of these needed services so that fish production may be increased.

I should like to mention briefly the whaling industry, an industry which used to be very active in Newfoundland but which has all but disappeared from Canadian waters. At one time this industry was carried on out of the harbours of Williamsport and Hawkes Harbour in my riding. These industries have ceased to operate. I should like the whaling potential to be reviewed by the federal Department of Fisheries. I understand it is carried on profitably by other nations. Certainly, the whales are still there and modern, technical knowledge ought to be able to find a way in which this industry may be revived on a profitable basis.

I should like to make a reference to Gander airport. At the time Newfoundland entered into confederation, Gander airport markedly improved Canada's position in the field of commercial aviation. Today it boasts a modern terminal with air navigational aids among the most complete and most modern in the world. In recent years, the amount of traffic through Gander airport has fallen off, although I believe last year business increased considerably. Needless to say there is considerable concern in Gander, where a large town has been developed. The houses are owned by these people who have put a large part of their earnings into them. The lives of the people in Gander are irrevocably tied to the airport itself. For this reason, these people would like to know, if possible, what the future holds in store.

There has been a tendency for modern, jet airliners to overfly Gander. There is some suggestion that in time, as the pattern of air transport changes, planes will use Gander more frequently and it may become a very important airport again. No one can deny that, as I said, it has the most modern navigational aids and it has a strategic location. The location made it an invaluable asset for many years.

What does the future hold? I know forecasts are quite dangerous. Nevertheless, I should like the Minister of Transport (Mr. Balcer) to analyse the trends in aviation today to see if he cannot give us some idea of what the future may hold for Gander. For instance, it has been suggested that planes originating in the western part of the North American continent, instead of being routed through busy airports like New York, would fly on and stop at Gander for fuel. Then, they would continue to their European destinations. It has been suggested also that the smaller, near-sonic jet airliners of the future would, because of their immense speed and comparatively short range, use Gander as a matter of course. Then, too, if aviation forecasts are accurate, there is almost certain to be a great increase in air freight, air express and charter runs. All of this could well mean that the facilities at Gander will again be used to the extent to which they were designed to be used. I feel sure that the Minister of Transport is interested in the

future of Gander because that airport represents a considerable investment, as I am sure the minister is well aware. I would ask him again to look into this matter of the utilization of Gander.

I am well aware of the fact that many of the air carriers are not Canadian, so there is a limit to what can be done to influence them to use the port of Gander. However, I hope no avenue will be left unexplored and that the minister will use every means in his power to negotiate with all potential customers so that the port of Gander may become the busy airport it once was, and which I am sure it can be again. It has been suggested, too, that a new look should be taken at the charges for the use of airport facilities. I believe landing fees are uniform all across Canada, regardless of what the airports have to offer. It would be reasonable, I believe, to assume there should be a relationship between the charges made and the potential revenue available.

I should like to mention briefly the desirability of having mail delivered by road in central Newfoundland. I have in mind the Buchans, Millertown and Grand Falls area, where I feel sure the present mail delivery can be considerably speeded up if the mail were moved by road from Gander. I should like to suggest also that it is desirable to have air mail service in northern Newfoundland and Labrador continued throughout the year.

In conclusion, I should like to say a brief word about the trans-Canada highway. Since confederation, the provincial government has made enormous strides in road building. Progress has been made to a remarkable extent and after centuries of isolation many remote areas are now connected by road. The building of these roads placed a heavy financial burden upon the provincial government. Add the cost of building a network of roads to the hundreds of communities in our province to the high cost of building the trans-Canada highway, and the burden becomes back-breaking. Bearing in mind, Mr. Speaker, the high cost of transportation in Newfoundland and in the Atlantic provinces in particular, I would hope that the federal government would consider the advisability of completing the trans-Canada highway in Newfoundland.

Mr. Eric Stefanson (Selkirk): Mr. Speaker, in rising to take part in this debate my first words are those of congratulation to the hon. member for Laval (Mr. Bourdages) and the hon. member for Vancouver-Kingsway (Mr. Browne), for the excellent job they both did in moving and seconding the address in reply to the speech from the throne. As a result of the job they have done, they have brought honour to themselves and to the constituencies they represent. I offer my congratulations to you, sir, on your appointment as Deputy Speaker. I am sure you will preside over this assembly with fairness to all.

I have listened with a great deal of interest to the speeches so far in this debate. These speeches have covered a wide field.

I notice from press reports that the Leader of the Opposition (Mr. Pearson) and the former leader of the C.C.F. both expressed disappointment with the throne speech. This was to be expected. Whenever this government has introduced good legislation, and this has happened regularly, these expressions indicate their disappointment. I suppose this is human nature—to be envious of a government which is discharging its duty well.

I shall leave the section dealing with external affairs and international events to others who are more experienced in that field. The hon. member for Grenville-Dundas (Mrs. Casselman) dealt very ably with the subject this afternoon. However, I was surprised to hear the Leader of the Opposition make an attack on the Secretary of State for External Affairs (Mr. Green). There is no minister held in greater affection right across the country than he and I am sure no one has worked harder for peace. The comments I have heard indicate that people generally feel the minister of external affairs is doing a noble job and they are proud of the Canadian achievements at the United Nations and in international affairs.

Surely we have not forgotten the speech which our Prime Minister made to the United Nations in September, 1960? At that time the feeling was that we were all proud of him, proud to be Canadians and rightly so. At that time he gave leadership which was so vitally needed.

The speech from the throne contains the following sentence:

> The Canadian government remains devoted to peace as its primary objective.

Surely this is a principle that all hon. members in the House of Commons can accept, and dedicate themselves to work together to achieve that objective?

It has been pointed out that in 1961 there were more people at work than ever before. They earned more and, saved more. Productivity was at an all time high and exports created new records. I am not going into detail and I shall not quote statistics, as the Minister of Trade and Commerce ably outlined all of this when he spoke. The Leader of the Opposition (Mr. Pearson) is reluctant to give the government any credit. In fact he said it was only natural that all these things

should happen but I am sure many hon. members will agree that the legislation passed at the last session of parliament did much to bring about these improved conditions.

The outlook for 1962 is good. Business people are predicting a good increase in total productivity, increased employment and an increase in business generally. I shall not quote any of the business leaders as many of their statements have already been placed on the record and are in *Hansard* for all to read. However, I am sure most members would agree that the legislation enacted at the last session is largely responsible for the upsurge in business and the bright future facing Canadians in 1962.

Mention is made in the speech from the throne of the economic policies which have been implemented in preceding sessions of parliament. It is true that great benefits are flowing from these policies which are helping to bring about improved conditions in this country and further benefits can be expected, especially when the people who have taken technical training come back on the labour force. I feel that the Minister of Labour (Mr. Starr) deserves a lot of credit for much of this legislation. The municipal winter works incentive program has been a real success and of real benefit in creating employment, as was shown in the debate on the supplementary estimates.

Last summer was the hottest and dryest summer we have ever had in Manitoba. With that combination it is amazing what crops were harvested. Some farmers had to reduce their herds but in most cases farmers were able to get enough fodder to retain their basic herds. The government deserves credit for taking quick action in working out a plan with the provinces to assist in the movement of livestock and fodder, and also in establishing a fodder bank.

This government has passed a great deal of legislation relating to agriculture and this legislation is having favourable results and is bringing about improvements. The agricultural picture is brighter now than it has been for a long time. At this stage I want to quote from a brief submitted by the farmers' union to the special legislative committee on livestock marketing in Manitoba on September 21, 1961. This is to be found at page 9 of their brief:

> The interest shown by the United States in our cattle since the latter part of June of this year has been the greatest boon to drought-stricken cattle marketings that we could possibly have had. There is no doubt that the movement of cattle to the United States from 2,174 head in June to 24,492 head in July, 42,896 head in August and 12,424 head up to September 2 (one week only) has helped to hold price levels and has even increased prices to producers. The greatest impetus to this movement has been the difference in the exchange value of the U.S. dollar as compared to the Canadian dollar. The 6 per cent or more change in the exchange to the benefit of U.S. buyers selling on their home market helped boost our price by this difference. It has even created a greater hurdle for any slaughter cattle attempting the reverse procedure and being sold from the U.S. on our market.

The interlake area is now included in P.F.R.A. This change was brought about last July. Farmers and municipal officials had been making requests for many years to be included in the terms of P.F.R.A. but they always fell on deaf ears. The minister of agriculture in the former government said that the interlake area would never be included, and it never would have been if the Liberals had stayed in power. People will not forget the shabby treatment they received from the former government.

During the past few years there have been more houses built, and more construction in such towns as Selkirk, Stonewall, Gimli, Teulon, Arborg and others than in any previous similar period. Last summer one lumber dealer told me that he had never had a busier year and that there was more construction going on than ever before. The interesting fact is that this happened under a Conservative government.

Due to the policies carried out by the present government the constituency I have the honour to represent has received many benefits. Under the aggressive policies of our Minister of Public Works new post offices have been built or are being built at Fisher Branch, Lundar, Riverton, Eriksdale and Winnipeg Beach, and others are in the planning stage. R.C.M.P. detachment barracks have been built or are being built at Selkirk, Lundar and Gimli, with others in the planning stage. New docks have been built on lake Winnipeg at McBeth Point and Whiteway Point. Extensions have been built to several others including those at Selkirk, Gimli, and Gull harbour and work is nearing completion for the breakwater for the harbour at Gimli.

The Minister of Transport and his department are carrying out an aggressive aids to navigation program for lake Winnipeg. Many new lights have now been installed and this work is much appreciated. The Postmaster General (Mr. Hamilton) and his department have increased the frequency of mail service in many areas. I could list many other benefits but I think I have illustrated that our government is both progressive and alive. Under the former government things had been at a complete standstill for many years.

The former house leader of the N.D.P.-C.C.F. and other opposition members have poked fun at the A.R.D.A. bill. In my opinion this is one of the most important bills passed

by parliament for a long time. I am convinced that it will create tremendous benefits for agriculture and, in fact, for all community development. Those who poke fun at this today will be the laughing stock of tomorrow. Any legislation that requires agreement between provincial and federal governments often has a tendency to take longer to implement. I am likewise convinced that co-operation is forthcoming from the provinces in the implementation of this act. In my own province of Manitoba I know they have several projects in the planning stages and these will shortly be ready to be put into operation.

A.R.D.A. is an adjustment program and it emphasizes multiple use of our resources. It is part of a broader national program of price supports, farm credit, crop insurance and all the other activities of the provincial and federal governments that make up the agricultural legislation. In reality it is part of an over-all community development.

There are three sections to the act, the first of which provides for directing the use of resources to more profitable alternatives; another provides for the construction of physical works for such things as soil and water conservation projects. The other and perhaps the most important part deals with rural development projects including studies of resources of communities, possibilities for bringing industries and new business into communities, and such other projects that contribute to community development.

I can see that this act can have a tremendous impact on a riding such as the one I have the honour to represent, a riding which includes two large lakes, lake Winnipeg, lake Manitoba and other smaller lakes. It also has some of the most fertile land in the province. It has large areas of ranch land, particularly along the lakes, large tracts of marginal and submarginal land, large areas of forests, and vast areas which could be improved for community pastures. Many marshes are located in the area and there is also an abundance of game and wild life. There are many, many miles of beautiful sand beaches located on both the shores of lake Winnipeg and lake Manitoba, and also along some of the rivers and on some islands in lake Winnipeg. A large portion of the commercial fishing industry in the province of Manitoba is located in this area. Agriculture is mostly mixed farming. The area has several gypsum and limestone deposits.

From the description of the constituency one can readily see that A.R.D.A. will be a real challenge. It is, however, essential that members of municipal councils, chambers of commerce, farm organizations, women's organizations, service clubs, etc., take an active interest in this act and come up with suggestions regarding what type of planning is most suited to their own environments.

I mentioned that the act had three sections. Under the first of these it is assumed that substantial areas of land now in agriculture can profitably be put to other uses. There will be a strong demand for livestock products in the years ahead and it is quite possible that it would be advisable to take some land now under cultivation for community pastures. Forestry, recreation and wild life uses of our lands also offer real opportunities throughout the country for raising the incomes of communities and for effecting better land use. An important activity under A.R.D.A. will be the redirection of land use.

Under the second category a great many projects can be undertaken to improve drainage, to conserve soil and to provide water supplies for farmers where the land resources are of good quality and where such additional works made their development economically feasible. Benefit-cost analyses will be made in such instances and one can foresee a broad application of this part of the act to the country as a whole.

The third section, that of rural development, is both new and challenging. Under this section communities will have to assess the resources at their disposal and come to some decision as to the types of development that would be most desirable. They may feel they need to attract small industry or activities of some type that provide a steady payroll within the community. For a town to be able to attract industry it needs a good water supply. The selection of projects made by a community should be based on a careful assessment of what the community feels it needs and upon the resources available to it.

It is of great importance that a good deal of planning take place at the grass roots because it would be futile to organize this type of activity from the top down. However, it is important that communities undertaking this kind of organizing and planning receive guidance and assistance from higher level of governments. At this time I wish to refer to page 5197 of *Hansard* of May 22, 1961. The Minister of Agriculture (Mr. Hamilton) was speaking on Bill C-77, and he said:

> 1. While the program is focused mainly on farm people, it cannot be exclusively agricultural. Rural economies are no longer separate from town or urban economies, and the program must be one of area development embracing local centres of population as well as the farms surrounding them.
>
> 2. The program should be regarded and accepted as long run rather than short run since many of the problems to be encountered are structural rather than either cyclical or transitory.
>
> 3. The program should have two levels—a regional or local level; that is a local level within that region under the all-embracing framework of the

national joint provincial-federal committee. Planning and action must be primarily local; the kind of action taken will depend on local resources and conditions.

While success depends upon local leadership, a national program directorate is essential for research, assistance in selecting personnel, and financing co-ordination of plans of various local programs, and to record and make available the experience of local programs to other local areas. The leadership msut be primarily under the control of the provincial-federal directorate.

4. The co-operation of provincial governments, universities, farm organizations, and other bodies, is essential, but it is important that the national program directorate take the lead in co-ordinating any activities of these bodies. It would be undesirable to have several unco-ordinated programs proceeding simultaneously and in isolation, under provincial, university or other leadership. The national directorate should maintain the position of leadership in all activities which are not local.

5. The program may at times be closely related to other federal programs such as the Prairie Farm Rehabilitation Act, the Maritime Rehabilitation Act and the farm credit corporation, as well as, of course, to provincial extension and educational programs.

6. It must be recognized at the outset that the problems of marginal areas and of programs developed to relieve these problems will be social as much as economic, political or technological. This in itself makes it essential to regard the program as a long run one, and to recognize the difficulties which it will encounter.

I take it that a national interdepartmental committee will be formed to work with a provincial interdepartmental committee to receive suggestions from the various regions of the country. The provincial agricultural minister becomes the person through whom ideas are funnelled and he is also the person who is expected to encourage the local communities to embark upon an assessment of resources and possibilities for development. As I said before, this act is a real challenge. It is a challenge to farmers and people living in small villages and towns. Let us get busy and dream up suggestions for projects which could be implemented under this act.

The resources for tomorrow conference took place in Montreal last October and there were about 700 experts in attendance who discussed resource management. Among the resources discussed were agriculture, forests, wild life, water, fisheries and recreation. Many of the topics discussed at this conference and much of the information gathered can be of direct benefit to those who will be charged with the administration of A.R.D.A. It can likewise give inspiration and suggestions to those who are seeking ideas and projects.

I am pleased to note that the resources for tomorrow conference steering committee has now been set up on a permanent basis and will be known as the resources ministers council. The aim of the council will be to improve intergovernmental liaison and co-ordination in the field of renewable resources.

Mr. Speaker, I have in my hand a copy of the Selkirk *Enterprise* dated March 8, 1961. The heading on page 3 is "Cunningham Visualizes Edmonton to Selkirk Water Highway."

Mr. Cunningham is a resident of Selkirk, Manitoba, and until his recent retirement was in charge of all dredging operations for the federal government in Manitoba, Saskatchewan, Alberta and the Northwest Territories. Mr. Cunningham, when speaking to the Selkirk chamber of commerce, outlined his plan for a water highway from Edmonton on the Saskatchewan river to Grand Rapids, down lake Winnipeg and up the Red river to Selkirk and Winnipeg. It was evident that Mr. Cunningham was talking about a subject with which he is familiar, and also that he has carried out a great deal of research work on this topic. It is also a topic in which he believes, and he feels it would be practical to make it a reality.

Whenever new ideas are advanced there are some who immediately say that those ideas are ridiculous and nonsensical and that the man responsible for them is a day dreamer. I am sure that when the St. Lawrence seaway was suggested there were those who said the project was nonsense. After the idea had been advanced it no doubt took a long time to stir up interest in it and to convince people of the possibilities. Later, extensive surveys were required to determine whether the project would be of sufficient benefit to warrant the spending of public money. I have no quarrel with that. I do think it is important that this type of project be given careful study. I agree one has to be convinced of the over-all benefit to the country as a whole before public moneys are spent. I merely point this out because I am sure that throughout history whenever a progressive idea has been advanced there were those who referred to it as absurd. However, one should remember that the man advancing the idea has given study to the topic while those who criticize have usually not given the matter any thought or consideration, which is why they offer the kind of criticism I have mentioned. I am one of those who believe that whenever someone suggests a project, particularly when that project is imaginative and visionary, one should look at it carefully and give it every consideration.

The suggested program of Mr. Cunningham is one which, I believe, comes in that category. It certainly is imaginative; likewise, it is visionary. One can visualize this type of project leading to the development of the northern ports of the three prairie

provinces. It is essential that we should provide all practical forms of transportation. Since Canada is a growing nation with an expanding economy and the likelihood of a greatly increased population in the years to come, I think it will be desirable to have varied forms of transportation so as to serve Canadians wherever possible. The presence of rail, freight, truck transportation, air lines and water transportation would tend to establish competitive freight rates which could not help but be beneficial to people in general.

Mr. Cunningham has done a lot of work in connection with this project and he has presented to the chamber of commerce a brief of great interest outlining the possibilities of this plan for a water highway from Edmonton on the Saskatchewan river to Grand Rapids, down lake Winnipeg and up the Red river to Selkirk and Winnipeg. In his summary of the cost and freight possibilities, Mr. Cunningham listed goods which could be transported. He goes on to say:

> From these plains of Canada one could dream a little higher still and, again looking to the past, realize that Winnipeg need not be the eastern terminal of this inland waterway. With channels of 100 to 150 feet wide having a mean depth of six to eight feet, large loads can be taken clear from lake Winnipeg to the Great lakes via the routes of the old explorers. Yes, and some of our military movements of the earlier days up the Winnipeg river to the lake of the Woods, from there to the watershed, and thence down into lake Superior by means of the rivers running on the other side of that watershed, would show us the way.

One could dream a little beyond even that, and envisage the day when a seaway will also be built down the Nelson river to connect Hudson bay and lake Winnipeg. Then western Canada would be connected by a seaway to the Atlantic ocean and Hudson bay.

I would suggest that the Department of Transport begin gathering data and information concerning this proposed waterway between Selkirk and Edmonton. It is within the realm of possibility that some time in the future this proposed waterway would become a reality and be of real economic benefit to the people of Canada.

(Translation):

Mr. Jean-Paul Racine (Beauce): Mr. Speaker, at the outset of my remarks, may I offer you my warmest congratulations for your appointment as Deputy Speaker of the house, and my best wishes in your new functions.

I also want to congratulate the mover and seconder of the address, Mr. Bourdages and Mr. Browne (Vancouver-Kingsway). They have surely excelled for they have attempted to magnify the meager accomplishments of their government, and to gloss over the numerous errors of their party, but without success.

I also want to congratulate the new Minister of Mines and Technical Surveys (Mr. Flynn). I wish him well in the performance of his new duties. His appointment made a great stir, but the reshuffling which was predicted during this suicide trip of the cabinet to Quebec fizzled out.

This inspired the Montreal newspaper *La Presse* to make the following comment on December 29 last:

> With its sophisticated staging and all its sensational rumors, the deceiving press conference given by Mr. Diefenbaker yesterday in Quebec smacked of a tempest in a tea cup.

As for the hon. Secretary of State (Mr. Dorion), he was promoted, on the occasion of that trip, to a post which is said to be very important.

The Prime Minister is alleged to have a natural aptitude for staging and for making, at the right time, the symbolic gesture which strikes the imagination of the voters, but he will now have to admit that if he had anything in mind when he decided to call his ministers to Quebec city, he has completely failed in his attempt.

It was a great to-do for very little and one has to come to the conclusion that the cabinet met in Quebec for its own pleasure, probably for an annual picnic. In short, the member for Quebec South replaced the previous minister of mines who had just been named lieutenant governor of the province of Quebec, and the Secretary of State was appointed to a post so important that it had been vacant since 1957.

About this so-called shuffle, here is what *Le Devoir* had to say, on December 29:

> The Quebec representation in the cabinet comes out neither weaker nor stronger from what we hardly dare call a shuffle. Let us say that it is rather weak, a fact which will not help the Conservative cause at the next general election.

It must be admitted, I think, that the letter from the legal office of the Secretary of State has had much more publicity than the trip to Quebec. It is often said nowadays that it will be more and more difficult to get the Secretary of State's autograph.

As for the member for St. Hyacinthe-Bagot (Mr. Ricard)—I would not wish to forget him—I should like to congratulate him upon his appointment as parliamentary secretary to the Prime Minister. At least, we will be able to say that, as far as rewards go, he will be on an equal footing with the member for Peel (Mr. Pallett).

Between sessions, cabinet members have travelled a lot. Getting ready for the election

has taken much of their time. This might explain the poor results and the lack of action, on the part of the government, in dealing with the serious problems we now have before us, such as unemployment and the slump in which agriculture finds itself.

(Text):

BUSINESS OF THE HOUSE

Mr. Pickersgill: Before you leave the chair, perhaps I could persuade the leader of the house to let us know whether this debate will be carried on until a conclusion, according to the rules.

Mr. Churchill: This debate will be carried on until its conclusion, which, of course, could occur at any time. The house is not obliged to keep this debate going for eight days. We shall continue this debate tomorrow.

Mr. Pickersgill: And the other two days if necessary?

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

END OF VOLUME I